Office of Missouri State Auditor

Audit Reports – 2019

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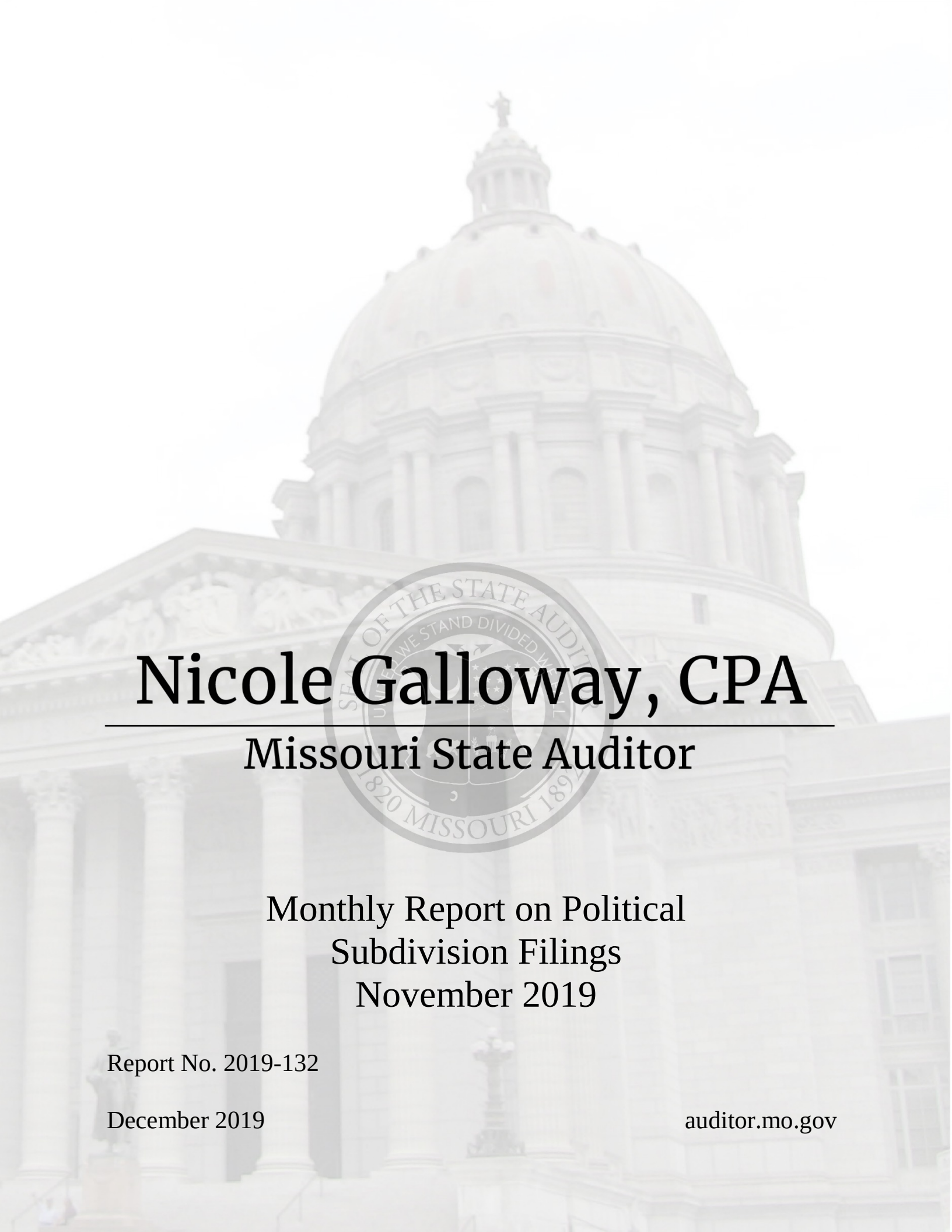

Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings November 2019

Report No. 2019-132

December 2019

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Monthly Report on Political Subdivision Filings
November 2019
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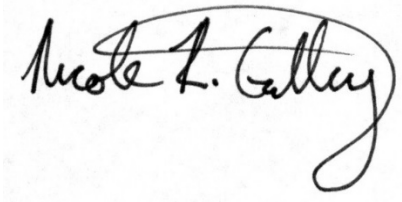
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 11 political subdivisions required to file a financial report by November 30, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in November 2019, after their filing deadline. The filing status for these 10 entities is presented in summary on page 3 and by individual entity in Appendix B-E.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 11 political subdivisions, other than cities, towns, and villages, with a fiscal year end of May 31, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 11 political subdivisions, 10 filed an annual financial report timely.

This report also includes the filing status for 10 political subdivisions, other than cities, towns, and villages, that filed their financial report in November 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due November 30, 2019

Fiscal Year Ended May 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Buchanan Drainage District	Yes	September 12, 2019
Barry	Southwest Rural Water Supply District 1	Yes	September 24, 2019
Caldwell	PWSD 3 Caldwell County	No	
Carroll	Mi De Levee District	Yes	May 28, 2019
Cass	PWSD 3 Cass County	Yes	November 14, 2019
Franklin	PWSD 3 Franklin County	Yes	September 26, 2019
Holt	Canon Drainage District	Yes	June 13, 2019
Jefferson	PWSD 7 Jefferson County	Yes	November 13, 2019
Jefferson	PWSD C-1 Jefferson County	Yes	October 23, 2019
Polk	Citizens Memorial Hospital District	Yes	November 25, 2019
St. Clair	Ellett Memorial Hospital District	Yes	November 27, 2019
Total Filed		10	
Total Not Filed		1	

Acronyms:

PWSD	Public Water Supply District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in November 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Noland Fashion Square CID	Yes	November 12, 2019
Total Filed		1	

Acronyms:

CID	Community Improvement District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in November 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Stoddard	Dudley SRD Stoddard County	Yes	November 13, 2019
Texas	PWSD 2 Texas County	Yes	November 5, 2019
Total Filed		2	

Acronyms:

PWSD	Public Water Supply District
SRD	Special Road District

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in November 2019

Fiscal Year Ended March 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Perry	Perry County Memorial Hospital	Yes	November 1, 2019
Schuyler	Schuyler County Ambulance District	Yes	November 12, 2019
Total Filed		2	

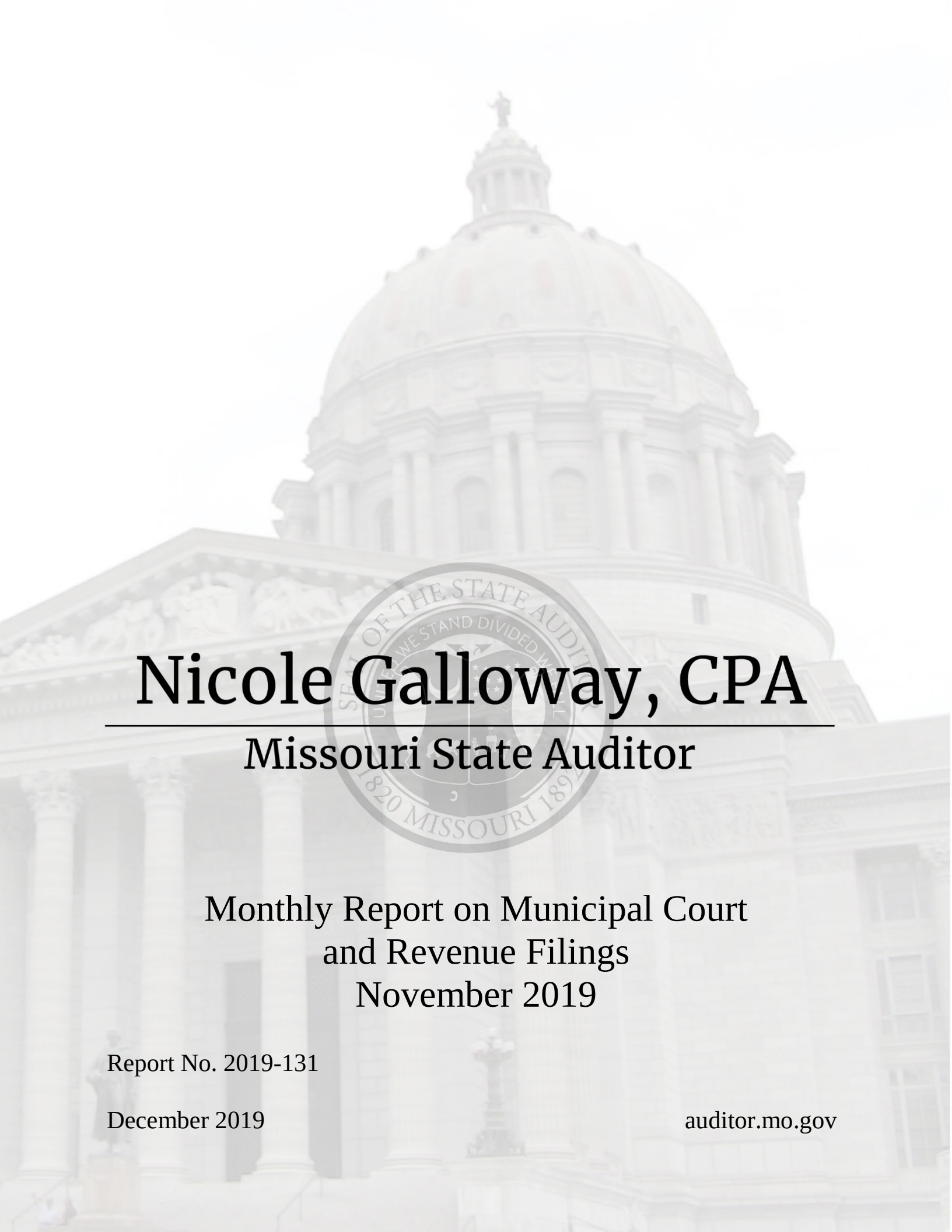
Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2019
Filed in November 2019

Fiscal Year Ended April 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	Antioch Center CID	Yes	November 20, 2019
Jackson	801 Westport Road CID	Yes	November 12, 2019
	Linwood Shopping Center CID	Yes	November 1, 2019
Mississippi	St. James Drainage District	Yes	November 12, 2019
Pemiscot	Elk Chute Drainage District	Yes	November 25, 2019
Total Filed		5	

Acronyms:

CID	Community Improvement District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings November 2019

Report No. 2019-131

December 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
November 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

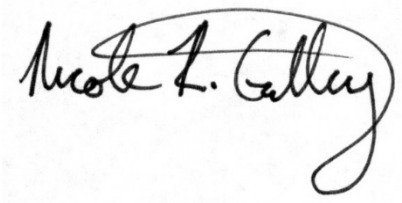
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by November 30, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 3 cities and 3 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in November 2019, after their filing deadline. The filing status for these 6 cities is presented in summary on pages 4 and by individual entity in Appendixes B to D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 3 cities and 3 villages with a fiscal year end of May 31, 2019, whose financial report was due by November 30, 2019. Of the 6 municipalities required to file an annual financial report, 5 filed the report timely. Of the 3 municipalities required to file an addendum, 2 filed an addendum timely. Of the 2 municipalities required to file a certification, 1 filed a certification timely.

This report includes the filing status for 6 cities that filed at least one of the items (financial report, addendum, or certification) in November 2019, after their filing deadline. Of these municipalities, 4 filed an annual financial report and 2 filed an addendum.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2019

Fiscal Year Ended May 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cape Girardeau	Village of Gordonville	Yes	July 30, 2019	n/a	n/a
Clay	Village of Oakwood Park	No		n/a	n/a
Cole	Village of Centertown	Yes	November 27, 2019	n/a	n/a
Nodaway	City of Ravenwood	Yes	August 16, 2019	Yes	n/a
Pettis	City of La Monte	Yes	October 31, 2019	No	No
Pike	City of Louisiana	Yes	November 27, 2019	Yes	Yes
Total Filed		5		2	1
Total Not Filed		1		1	1
Total n/a		0		3	4

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in November 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Scotland	City of South Gorin	Yes	November 15, 2019	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in November 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Henry	City of Deepwater	**	January 24, 2019	Yes	n/a
Linn	City of Browning	***	July 26, 2019	Yes	n/a
Nodaway	City of Conception Junction	Yes	November 22, 2019	No	n/a
Total Filed		1		2	0

** Filed by June 30, 2019.

*** Filed after June 30, 2019, but before November 2019.

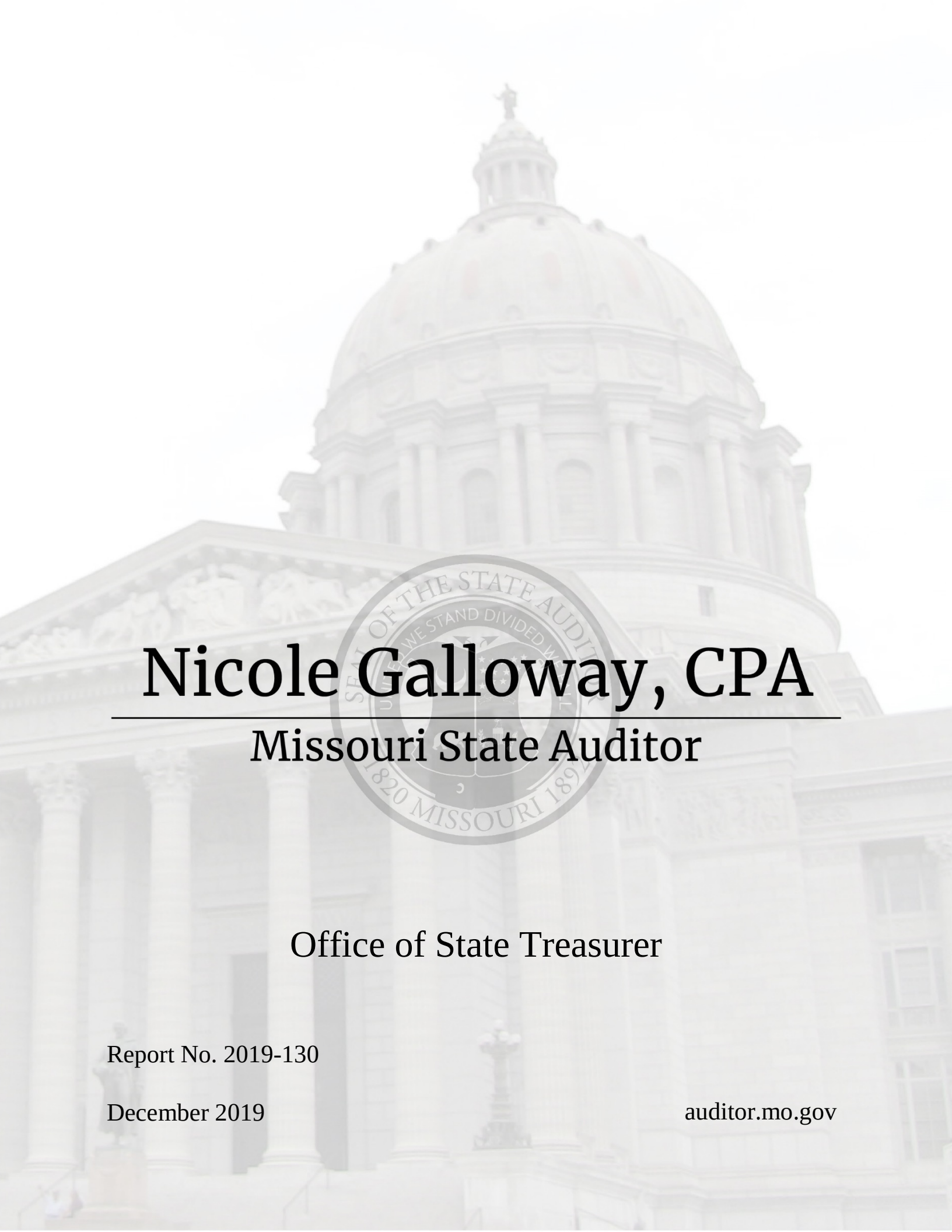
n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2019
Filed in November 2019

Fiscal Year Ended April 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Mississippi	City of Charleston	Yes	November 15, 2019	No	No
St. Louis	City of Beverly Hills	Yes	November 27, 2019	No	**
Total Filed		2		0	0

** Filed by October 31, 2019.



Nicole Galloway, CPA

Missouri State Auditor

Office of State Treasurer

Report No. 2019-130

December 2019

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of State Treasurer

Background

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. He served in this role until January 3, 2019, when he was sworn in as Missouri's forty-third Attorney General. His term as State Treasurer was to expire in January 2021. Governor Michael L. Parson appointed Scott Fitzpatrick as State Treasurer and he was sworn in on January 14, 2019. From January 3, 2019, until January 14, 2019, Johnathan M. Hensley served as Assistant State Treasurer.

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities, or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) general and administrative services, (3) investments and deposit programs, and (4) unclaimed property.

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Scott Fitzpatrick, State Treasurer
Jefferson City, Missouri

We have audited certain operations of the Office of State Treasurer, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.

2. Evaluate the office's compliance with certain legal provisions.

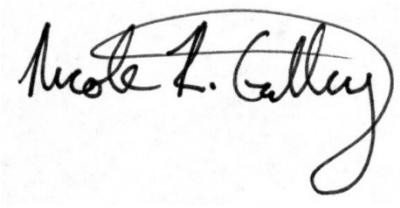
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design, implementation, and operating effectiveness of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Office of State Treasurer.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Nicole Cash, MBA, CFE, CGAP
Audit Staff:	Albert Borde-Koufie, MBA
	Logan J. Vogel

Office of State Treasurer
Organization and Statistical Information

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities, or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) general and administrative services, (3) investments and deposit programs, and (4) unclaimed property.

The accounting and banking services area (1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, (2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, (3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, (4) reconciles bank activity to receipt and disbursement activity reflected on the state books, (5) determines the amount of state monies not needed for current operating expenses, and (6) confirms daily disbursements with the bank as certified by the Office of Administration.

The general and administrative services area provides processing support to other areas of the office by (1) operating the central check mail service, (2) controlling and processing outlawed and replacement checks, and (3) processing invoices for office expenditures.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447, RSMo). The Unclaimed Property Division is responsible for (1) ensuring unclaimed property is reported, (2) receiving and recording reports of unclaimed property, (3) depositing unclaimed funds to the Abandoned Fund Account Fund, (4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and (5) processing owner claims for abandoned funds or physical property.

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. He served in this role until January 3, 2019, when he was sworn in as Missouri's forty-third Attorney General. His term as State

Treasurer was to expire in January 2021. Governor Michael L. Parson appointed Scott Fitzpatrick as State Treasurer and he was sworn in on January 14, 2019. From January 3, 2019, until January 14, 2019, Jonathan M. Hensley served as Assistant State Treasurer.

As of June 30, 2019, the office had 44 full-time positions to assist in the accomplishment of its mission.

Financial Activity

A summary of the office's operating financial activity, cash and investment balances, and investment income is presented in the following Appendixes and in the Notes to the Appendixes.

Appendix A

Office of State Treasurer
Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2019

STATE TREASURER'S GENERAL OPERATIONS FUND		
Receipts	$	3,446,386
Disbursements		1,998,068
Receipts Over (Under) Disbursements		1,448,318
Transfers In[1]		631
Transfers Out[2]		(845,801)
Receipts Over (Under) Disbursements and Transfers		603,148
Cash and Investments, July 1		1,465,095
Cash and Investments, June 30	$	2,068,243
TREASURER'S INFORMATION FUND		
Receipts	$	698
Disbursements		337
Receipts Over (Under) Disbursements		361
Transfers In		0
Transfers Out		0
Receipts Over (Under) Disbursements and Transfers		361
Cash and Investments, July 1		2,010
Cash and Investments, June 30	$	2,371
CENTRAL CHECK MAILING SERVICE REVOLVING FUND		
Receipts	$	87,011
Disbursements		79,716
Receipts Over (Under) Disbursements		7,295
Transfers In[1]		376
Transfers Out[2]		(8,724)
Receipts Over (Under) Disbursements and Transfers		(1,053)
Cash and Investments, July 1		14,136
Cash and Investments, June 30	$	13,083

Appendix A

Office of State Treasurer
Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2019

ABANDONED FUND ACCOUNT FUND		
Receipts	$	97,443,852
Disbursements		45,323,916
Receipts Over (Under) Disbursements		52,119,936
Transfers In[3]		4,473,621
Transfers Out[4]		(56,377,664)
Receipts Over (Under) Disbursements and Transfers		215,893
Cash and Investments, July 1		34,097,331
Cash and Investments, June 30	$	34,313,224
Total Cash and Investments, June 30, All Funds	$	36,396,921

[1] Transfers In consist of net proceeds received from the sale of surplus property.

[2] Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

[3] Transfers In generally include the receipt of outdated state checks by the Abandoned Fund Account Fund.

[4] Transfers Out generally include payments for fringe benefits, distribution of excess cash balance of the Abandoned Fund Account Fund to the General Revenue Fund and the State Public School Fund, and distribution of certain unclaimed property values to the Mental Health Trust Fund in accordance with state laws.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2019			2018		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Issuing duplicate/outlawed checks	$ 3,000,000	1,888,025	1,111,975	3,750,000	1,803,708	1,946,292
Refunds of excess interest from the linked deposit program	2,500	208	2,292	2,500	694	1,806
Total General Revenue Fund	3,002,500	1,888,233	1,114,267	3,752,500	1,804,402	1,948,098
STATE TREASURER'S GENERAL OPERATIONS FUND						
Personal service	1,661,311	1,585,475	75,836	1,649,870	1,600,506	49,364
Expense and equipment	270,672	223,501	47,171	270,672	245,297	25,375
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - expenses and equipment	189,176	189,092	84	181,629	181,629	0
Total State Treasurer's General Operations Fund	2,121,159	1,998,068	123,091	2,102,171	2,027,432	74,739
TREASURER'S INFORMATION FUND						
Preparation and dissemination of information or publications, or for refunding overpayments	8,000	337	7,663	8,000	86	7,914
Total Treasurer's Information Fund	8,000	337	7,663	8,000	86	7,914
CENTRAL CHECK MAILING SERVICE REVOLVING FUND						
Personal service	12,557	12,202	355	12,382	11,882	500
Expense and equipment	225,000	67,514	157,486	225,000	62,643	162,357
Total Central Check Mailing Service Revolving Fund	237,557	79,716	157,841	237,382	74,525	162,857

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2019			2018		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
ABANDONED FUND ACCOUNT FUND						
Personal service	603,736	577,567	26,169	597,664	565,817	31,847
Expense and equipment	98,600	72,117	26,483	98,600	63,152	35,448
Advertising and auctions	1,475,000	1,302,452	172,548	1,475,000	1,282,747	192,253
Payment of claims for abandoned property transferred by holders to the state	49,000,000	43,372,088	5,627,912	49,000,000	43,734,033	5,265,967
Total Abandoned Fund Account Fund	51,177,336	45,324,224	5,853,112	51,171,264	45,645,749	5,525,515
Total All Funds	$ 56,546,552	49,290,578	7,255,974	57,271,317	49,552,194	7,719,123

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix C

Office of State Treasurer
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2019	2018	2017	2016	2015
Salaries and wages	$ 2,175,245	2,178,205	2,132,503	1,975,562	1,977,508
Travel, in-state	8,847	5,840	7,970	12,155	27,744
Travel, out-of-state	17,625	16,927	16,941	17,562	11,891
Supplies	227,789	235,495	224,035	238,068	235,324
Professional development	27,206	31,318	24,543	25,167	33,606
Communication services and supplies	101,110	116,255	93,507	90,920	95,845
Services:					
Professional	1,099,114	1,082,089	1,328,315	1,071,939	956,632
Housekeeping and janitorial	2,145	1,815	1,980	1,980	1,980
Maintenance and repair	80,621	80,463	78,979	70,556	67,226
Equipment:					
Computer	83,644	28,767	16,968	149,959	20,367
Office	5,722	31,658	57,827	17,817	2,367
Other	1,375	15,473	823	10,882	832
Debt service[1]	0	0	10,000,000	0	0
Building lease payments	193,192	185,629	185,113	183,883	189,533
Equipment rental and leases	0	45	3,470	0	1,260
Miscellaneous expenses	6,622	3,780	4,559	3,029	3,222
Refunds	208	694	0	290	2,463
Program distributions:					
Aid to local governments[1]	0	0	2,000,000	0	0
Abandoned funds claim payments	43,372,088	43,734,033	43,082,600	38,888,067	39,309,427
Replacement of outlawed checks	1,888,025	1,803,708	3,101,374	2,136,558	1,886,854
Other	0	0	0	0	14,020
Total Expenditures	$ 49,290,578	49,552,194	62,361,507	44,894,394	44,838,101

[1] In the fiscal year 2017 budget, the General Assembly moved the appropriation for the state's share of debt service and maintenance payments for the Edward Jones Dome from the Office of Administration to the Office of State Treasurer. At the Office of State Treasurer's request, the appropriation was moved back to the Office of Administration in the fiscal year 2018 budget.

Appendix D

Office of State Treasurer
Comparative Statement of Funds in Custody of State Treasurer

	June 30,				
	2019	2018	2017	2016	2015
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	$ 339,723	190,783	1,006,127	2,718,966	2,550,938
Central Bank	(110,197,759)	(63,968,235)	(84,044,969)	(25,848,693)	44,683,911
Wells Fargo Bank	2,503,721	10,103,874	5,384	75,028,840	75,005,354
Commerce Bank	1,141,197	1,168,616	3,611,892	10,843,993	8,823,746
UMB Bank	166,337	107,057	93,945	16,425	124,063
Collection bank accounts	2,227,451	2,774,502	2,985,918	3,044,368	2,472,076
Total Demand Deposits	(103,819,330)	(49,623,403)	(76,341,703)	65,803,899	133,660,088
Pooled Investments:					
Time deposits	373,181,821	498,249,439	454,627,838	461,744,279	496,858,052
U.S. government securities	2,543,993,000	2,295,041,372	2,367,934,784	2,232,541,484	2,185,298,465
Repurchase agreements	1,258,562,000	1,166,852,000	780,508,000	1,088,870,000	877,952,000
Total Pooled Investments	4,175,736,821	3,960,142,811	3,603,070,622	3,783,155,763	3,560,108,517
Total Demand Deposits and Pooled Investments	4,071,917,491	3,910,519,408	3,526,728,919	3,848,959,662	3,693,768,605
Special Fund Dedicated Investments:					
U.S. government securities	57,292,398	55,112,253	52,812,899	51,886,441	49,265,012
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	57,297,528	55,117,383	52,818,029	51,891,571	49,270,142
Total Appropriated Funds	4,129,215,019	3,965,636,791	3,579,546,948	3,900,851,233	3,743,038,747
NONAPPROPRIATED FUNDS					
Demand deposits	12,950,572	13,141,371	13,003,465	12,553,715	13,505,558
Total Nonappropriated Funds	12,950,572	13,141,371	13,003,465	12,553,715	13,505,558
Total Cash and Investments	$ 4,142,165,591	3,978,778,162	3,592,550,413	3,913,404,948	3,756,544,305

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix E

Office of State Treasurer
Comparative Statement of Interest Received on Pooled Investments

	Year Ended June 30,				
	2019	2018	2017	2016	2015
INTEREST RECEIPTS					
Appropriated funds	$ 75,018,369	47,231,264	27,978,208	23,254,495	21,614,688
Non-appropriated funds	0	0	0	0	1,555
Total Interest Receipts	$ 75,018,369	47,231,264	27,978,208	23,254,495	21,616,243

The accompanying Notes to the Appendixes are an integral part of this statement.

Notes to the Appendixes

1. Basis of Presentation

Amounts presented in Appendixes A through E are reported on the budgetary or cash basis of accounting. The budgetary basis recognizes revenues as cash is received and expenditures as cash is disbursed. Missouri issues a Comprehensive Annual Financial Report (CAFR) for each fiscal year ended June 30, in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial activity of the Office of State Treasurer is included in the CAFR.

The amounts presented in Appendix A represent receipts, disbursements, transfers, and cash and investment balances of funds that are dedicated to the activities and programs of the office.

The amounts presented in Appendixes B and C represent funds appropriated to the office by the Missouri General Assembly and expended by the office.

The amounts presented in Appendixes D and E represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The appendixes do not include any funds or investments that are not in the custody of the State Treasurer.

2. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by at least 2 nationally recognized statistical rating organizations and in commercial paper, issued by domestic corporations receiving the highest rating issued by at least 2 nationally recognized statistical rating organizations. Investments in bankers acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy that shall include an asset allocation plan limiting

the total amount of state money that may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 41 demand deposit bank accounts that serve as the state's primary operating accounts, and 84 additional demand deposit bank accounts throughout the state, some with multiple depositing locations, that serve as collection accounts for various state agencies. Cash balances in the state's accounts that are not needed for immediate use are invested.

The demand deposit accounts on Appendix D are used to manage the state's daily receipt, disbursement, and transfer activities and to segregate funds available for investing. The demand deposit accounts consist of the following:

Demand Deposit Accounts

	June 30, 2019		June 30, 2018		June 30, 2017	
	Bank Balance ($)	Number of Accounts	Bank Balance ($)	Number of Accounts	Bank Balance ($)	Number of Accounts
US Bank	339,723	1	190,783	1	1,006,127	1
Central Bank	31,494,061	30	53,972,648	32	88,675,672	32
Commerce Bank	1,238,809	8	1,293,481	8	4,160,519	8
Wells Fargo	2,500,000	1	10,100,000	1	34,374	2
UMB Bank	166,337	1	107,057	1	93,945	1
Collection bank accounts	2,242,413	84	2,891,959	101	3,176,418	104

Banking service agreements on the operating demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. Negative balances at June 30 (Appendix D) for any bank's appropriated funds demand deposits represent the book balance net of amounts invested.

The State Treasurer's deposits at June 30, 2019, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2019, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

Investments in Custody of State Treasurer - June 30, 2019

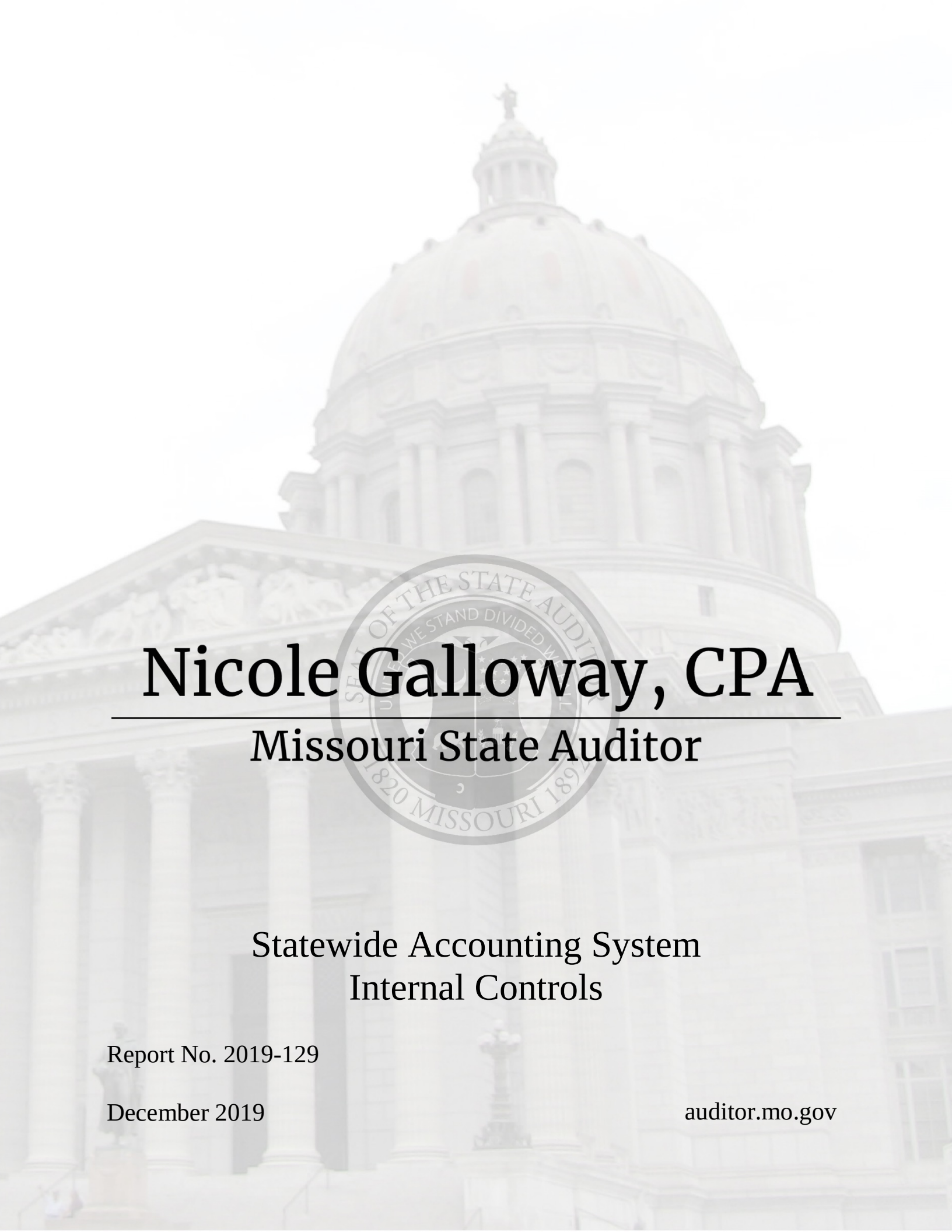
		Reported Amount	Fair Value
Time deposits	$	373,181,821	373,181,821
U.S. government securities		2,601,285,398	2,604,207,941
Repurchase agreements		1,258,562,000	1,258,562,000
Other investments		5,130	102,632
Total investments	$	4,233,034,349	4,236,054,394

Investments are recorded at acquisition cost except "other" investments, which are recorded at par. Investments in time deposits and repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

4. Special Fund Dedicated Investments

The State Treasurer is assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Appendix D include funds under the control of certain state agencies that represent specific investments made or held by the State Treasurer on behalf of the Pansy Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansy Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.



Nicole Galloway, CPA

Missouri State Auditor

Statewide Accounting System Internal Controls

Report No. 2019-129

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Statewide Accounting System Internal Controls

User Account Management	The Statewide Advantage for Missouri (SAM II) and MissouriBUYS systems are vulnerable to the risk of unauthorized or inappropriate transactions being processed because user accounts of terminated employees are not always removed timely. A weakness in the Financial system security settings allows users to create a transaction and then apply approval to the same transaction without review or additional approval from another party.
Security Administration	Controls in place over the centralized security administration function are not adequate, increasing the risk of improper activity in the SAM II system. Central security administrators have access to the SAM II system in excess of that required for their job duties. Office of Administration (OA) management does not require documented supervisory review of system logged user actions performed by the SAM II central security administrators.
Policies and Procedures	OA management has not fully developed policies and procedures for SAM II system administration. OA management has not fully established policies and procedures to segregate programmer access to the SAM II system software libraries, including the production environment, or to ensure software libraries are fully protected from unauthorized changes. OA management has not fully developed a policy for reversing changes in the event of unforeseen complications in the implementation process. OA management has not documented specific responsibilities for oversight and maintenance of the SAM II contingency plans.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Statewide Accounting System Internal Controls
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited certain internal controls, including security controls, designed to protect data and information maintained by the Statewide Advantage for Missouri (SAM II) system. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

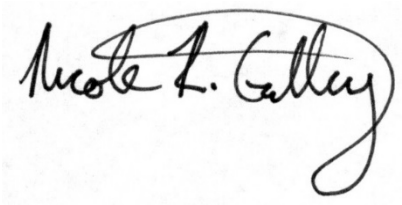
1. Evaluate the system's internal controls over significant management and financial functions.

2. Evaluate compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management policies and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the SAM II system.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
In-Charge Auditor:	Patrick M. Pullins, M.Acct., CISA, CFE
Audit Staff:	Joanne P. Lewis

Statewide Accounting System Internal Controls Introduction

Background

The state of Missouri processed approximately $40 billion of financial transactions during state fiscal year 2019. These transactions were processed to support the operations of 25 separate state legislative, judicial and executive entities. The system of record for these transactions is the Statewide Advantage for Missouri (SAM II) system. SAM II is supported by several other interfaced systems, including the MissouriBUYS eProcurement solution.

SAM II

The SAM II system is the state's integrated financial and human resource management system, providing accounting, budgeting, procurement, inventory, and payroll and personnel capabilities for state departments and agencies. The SAM II system processes revenue, expenditure, payroll, transfer, and adjusting transactions.

Our audit work on the SAM II system focused on two primary components, the SAM II Financial system and the SAM II Human Resources (HR) system. The Financial system, used for purchasing, payment, and revenue processing, was implemented in July 1999. The HR system, used to maintain and process employment and payroll information, was implemented in phases between November 2000 and June 2001. Users are granted access rights to these systems to process transactions or to have inquiry-only access. As of June 2019, there were 2,849 Financial system user accounts and 1,659 HR system user accounts.

The SAM II system is managed by the Office of Administration (OA). The OA Division of Accounting is responsible for the Financial and HR systems, including maintaining policies and procedures for use of the systems. Technical support is provided by the systems development and programming staff under the OA Information Technology Services Division (ITSD).[1] OA security administrators are responsible for processing security requests to add, change, or remove user access to the Financial and HR systems.

Changes to the functionality of the SAM II system are processed by ITSD programmers with access to software libraries that maintain source code. Source code is the written programming code used to produce an executable program in the SAM II system. Software libraries are maintained in separate environments for programs being developed or modified, programs being tested by users, and programs approved for use.

During fiscal year 2019, the state began the process of replacing the SAM II system. In April 2019, the state selected a contractor that is currently working

[1] Prior to July 2019, the state also contracted with the system vendor for additional support services. Due to rising costs, this contract was allowed to expire, and the system is now solely supported by the ITSD. If the state requires additional support from the vendor, an hourly charge applies.

to develop the request for proposals for a new Enterprise Resource Planning system and will help select the vendor(s) to provide and implement the new system.

MissouriBUYS

The MissouriBUYS system is the state's eProcurement system, which establishes a virtual marketplace between state departments and agencies, and vendors. The system replaced the state's previous On-Line Bidding and Vendor Registration systems. The system was fully implemented during 2018 and integrates with the SAM II system for financial processing. As of September 2019, there were 1,381 MissouriBUYS user accounts.

The MissouriBUYS system is provided by a third-party contractor using a Software-as-a-Service (SaaS) model. Under this model, the state pays a subscription fee to use the software, and the contractor is responsible for hosting the software on a password-secured website, and all maintenance and support of the software. The state has elected to retain responsibility for user account administration, and placed that responsibility within the OA Division of Accounting.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information.

Scope and Methodology

The scope of our audit included (1) internal controls established and managed by the OA, (2) policies and procedures, and (3) other management functions and compliance issues in place during the year ended June 30, 2019. Our scope did not include internal controls that are the responsibility of the management of agencies using the SAM II and MissouriBUYS systems.

Our methodology included reviewing written policies and procedures, interviewing various OA personnel, and performing testing. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files from the SAM II system of user accounts having access to the HR and Financial systems as of June 2019. To ensure completeness of the data, we grouped the accounts by agency and compared the results to a separate list of state agencies whose users should have access to the systems. We reviewed the approval rights of the Financial system user accounts to determine if each user was restricted from approving transactions the user had also entered in the system.

We obtained data files from the MissouriBUYS system of user accounts having access to the system as of September 2019. During testing, we determined this data was inaccurate, and a second data request of users with access as of October 2019 was obtained. Potential errors identified in our testing of September data were confirmed in the October dataset.

We obtained employment records of all state employees from the SAM II system. We matched these records to user accounts with SAM II or MissouriBUYS system access to determine if any terminated employees had active user accounts. We provided OA management a list of all terminated employees we found who had active access to the SAM II or MissouriBUYS systems.

Although we used computer-processed data from the SAM II and MissouriBUYS systems for our audit work, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- Missouri Adaptive Enterprise Architecture (MAEA)
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- ISACA

Statewide Accounting System Internal Controls Management Advisory Report State Auditor's Findings

1. User Account Management

The Statewide Advantage for Missouri (SAM II) and MissouriBUYS systems are vulnerable to the risk of unauthorized or inappropriate transactions being processed because user accounts of terminated employees are not always removed timely. Additionally, two Financial system users are not prevented from approving transactions they created.

1.1 SAM II terminated users

The SAM II system's terminated user accounts are not always removed timely. Office of Administration (OA) management could reduce the risk of unauthorized access by increasing efforts to identify user accounts assigned to former employees and promptly removing user access assigned to former employees. We found 21 former employees still had access to the SAM II system 30 days or more after terminating employment from the state agency that had granted the user access. These users were employed by the agencies (and non-agency entities) identified in Table 1 below.

Table 1: SAM II terminated users by entity

Entity	Financial system terminated users	HR system terminated users
Conservation	0	1
Corrections	3	0
Higher Education	0	2
Legislature	1	0
Mental Health	3	0
Missouri Consolidated Health Care Plan	0	1
Natural Resources	1	0
Public Safety[1]	1	6
Social Services	2	0
Total	11	10

Source: SAO analysis of SAM II user accounts

[1] Department of Public Safety users include users from the Missouri Capitol Police (1 HR user), Missouri State Highway Patrol (1 Financial and 2 HR users), Missouri Veteran's Commission (1 HR user), and the Office of the Director (2 HR users).

According to the Missouri Adaptive Enterprise Architecture (MAEA),[2] agencies must have a procedure in place for the timely notification of administrators when a user no longer needs access. SAM II policies and

[2] The Enterprise Architecture includes standards, policies and guidelines established by OA management. The Enterprise Architecture is made up of several information technology domains, including domains dedicated to security and information. The domains define the principles needed to help ensure the appropriate level of protection for the state's information and technology assets.

procedures place the responsibility for identification of accounts belonging to terminated and transferred users with the agency employing the users. Agencies are responsible for determining who is given access to the system and for ensuring all individuals who have access still need the access. When a user no longer needs access, procedures require agency security coordinators to submit a form to the OA security administrator requesting removal of the user's access to the system.

Although agencies are responsible for submitting requests to add, change, or remove user access rights, OA management is ultimately responsible for security of the system. The OA has documented procedures in place for the SAM II security administrators to regularly check for SAM II user IDs associated with terminated employees and report any findings to agency security coordinators. In addition, the OA provides user security reports to agencies listing SAM II users and access levels for use by agency security coordinators, who are expected to review user access. However, these controls are not consistently effective since terminated employees continued to have active SAM II access.

Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets, according to the Government Accountability Office (GAO).

1.2 MissouriBUYS terminated users

The MissouriBUYS system's terminated user accounts are not always removed timely. We found 41 former employees still had access to the MissouriBUYS system 30 days or more after terminating employment. These users were employed by the agencies (and non-agency entities) identified in Table 2.

Table 2: MissouriBUYS terminated users by entity

Entity	Number of terminated users
Agriculture	1
Corrections	18
Elementary and Secondary Education	2
Health and Senior Services	3
Judiciary	1
Mental Health	3
Natural Resources	4
Office of Administration	1
Public Safety[1]	4
Secretary of State	1
Social Services	1
Transportation	2
Total	41

Source: SAO analysis of MissouriBUYS user accounts

[1] Department of Public Safety users include users from the Missouri Veteran's Commission.

Similar to the process for the SAM II system described in section 1.1, agency security coordinators for the MissouriBUYS system are expected to review monthly security reports provided by the OA to identify any users whose system access should be removed. Agency security coordinators submit removal request forms to MissouriBUYS security administrators, who remove the access. However, these controls are not consistently effective since terminated employees continued to have active MissouriBUYS access.

User access can be removed by three methods: account deletion, suspension, or inactivation. Deletion and suspension are security administrator actions that take immediate effect. An account's circumstances affect the choice between deletion and suspension. However, both methods are effective due to their immediate, deliberate nature.

Inactivation is an automated system control, independent of security administrator action. Inactivation triggers when the account does not access the system within 180 days. This trigger can be delayed, potentially indefinitely, if the account regularly accesses the system within 180 days, which resets the countdown, making inactivation a less effective control.

Our review of the 41 accounts identified two scenarios, each representing a different weakness in current procedures.

- For 39 accounts, according to OA management, the agency security coordinator did not submit a removal request to the MissouriBUYS security administrator for more than 30 days after the user terminated

employment. For 32 of 39 accounts, this delay exceeded at least 6 months. Although the agencies eventually submitted removal requests for all accounts, many of these requests did not occur until October 2019, after audit staff alerted the applicable agencies. While 38 of 39 accounts were in an inactive status, the remaining account was active as of October 4, 2019, for a user who terminated employment in May 2019. The OA did not receive a removal request for this account until October 7, 2019, after audit staff alerted the agency.

- For 2 accounts, according to OA management, OA received the removal requests within a week of the user terminating employment. While these requests were received in April and May 2019, the accounts remained active as of October 2019. Because security administrators had not deleted or suspended the accounts, and a minimum of 180 days had not passed for the inactivity control to trigger, these accounts allowed continued access.

OA management indicated if an account is already inactive when a removal request is received, often no further action is taken to delete or suspend the account. We observed this situation for 6 additional inactive accounts, despite associated removal requests being submitted within 30 days of the users terminating employment.

While deletion, suspension and inactivation all prevent an account from accessing the system, relying on inactivation leaves the system at risk for an extended period (a minimum of 180 days, versus 30 days) and increases opportunities for an account to be reactivated accidentally or maliciously.

1.3 Transaction approvals

OA management has not fully corrected a weakness in the Financial system security settings that allows users to create a transaction and then apply approval to the same transaction without review or additional approval from another party.

Each user account in the Financial system is assigned certain rights and privileges from a list of available options, including the authority to create and approve transactions. Each agency is also able to assign rules to transactions to specify approvals necessary based on dollar value and transaction type. If a user is allowed rights to both create and approve a transaction, and these rights satisfy the rules established for the transaction, the user would be able to create and approve the same transaction without review or additional approval from an independent party. While OA management has taken steps to limit this risk, we identified two Financial system user accounts had authority to enter and approve the same expenditure transaction as of June 2019.

Allowing users to approve their own transactions without another approval increases the risk that inappropriate or unauthorized transactions may be processed.

Similar conditions previously reported

A condition similar to section 1.1 was noted in our prior 3 audit reports, and a condition similar to section 1.3 was noted in our 2010 and 2013 audit reports.

Recommendations

The OA:

1.1 &
1.2 Continue monthly reviews of SAM II and MissouriBUYS user accounts to ensure access of terminated or transferred employees is removed, and develop additional procedures to identify accounts no longer needing access. In addition, consistently and timely remove access to MissouriBUYS by deleting or suspending accounts upon receiving a removal request.

1.3 Continue to work with agencies to limit the risk of users approving transactions they create and establish policies to ensure future users are not granted this right.

Auditee's Response

1.1 &
1.2 We do not agree that risk associated with unauthorized access to the SAM II system is as significant as reported in the audit because a user must access the state network in order to access the accounting system. The audit fails to acknowledge or evaluate this initial security measure. OA will continue to provide oversight of user accounts. System limitations exist related to deleting accounts in MissouriBUYS; however, OA will review the possibility of actively suspending accounts.

1.3 We concur.

Auditor 's Comment

1.1 &
1.2 While the SAM II system has the referenced control of requiring users to be on the state network, the risk of inappropriate access is not fully reduced because certain users can access the state network from remote locations. Further, the control is not effective in situations where a user transfers from one state agency to another, and thus legitimately retains access to the state network. Failing to remove the accounts also leaves them vulnerable to unauthorized access by others, such as a former co-worker or supervisor who may know the former employee's user name and password. The most effective way to reduce the risk of inappropriate access is to timely disable the accounts of the users in question.

2. Security Administration

Controls in place over the centralized security administration function are not adequate, increasing the risk of improper activity in the SAM II system.

The SAM II system decentralizes responsibility for providing user access to the system. Each agency designates a security coordinator, who reviews and approves requests from staff of that agency to access the SAM II system, and periodically reviews reports provided by OA to ensure agency users' access remain appropriate. Agency security coordinators do not have access rights in the SAM II system to directly make changes. They instead submit documentation (request forms and supporting information as necessary) requesting any additions, changes, or removals of users to an OA-centralized SAM II security administrator, who has the access rights necessary to process the requested changes.

2.1 Security administrator duties

Central security administrators have access to the SAM II system in excess of that required for their job duties.

Every user of the SAM II system is assigned a user profile, which controls the actions a user is allowed to perform. These actions can include the ability to create, view, edit, approve, and delete transactions; modify system security; change system configuration options; and other specific functions. While some functions are broad and low-risk (for example, most users can view any transaction statewide), others are high-risk and tightly controlled (for example, few users can view security tables, and fewer still can modify them).

The security profile assigned to security administrators grants them excessive access to the SAM II system. In addition to their security administration functions, these security administrators have the ability to enter transactions including cash receipts, journal vouchers, manual checks, transfers, and expenditure documents including employee expense accounts. To reduce risk of improper activity, the ability to enter transactions should be disabled.

OA management noted that the security administrators, by virtue of their duties, can change their level of access to the system at any time by self-assigning profiles. For this reason, it is important that compensating controls be established, such as periodic managerial review of system changes made by the security administrators to ensure changes are supported by appropriate documentation, and documented formal monitoring of certain high-risk accounts and changes (see section 2.2).

Accepted standards require that users be allocated the minimum access rights necessary to perform their assigned job functions, and that access to security functions be explicitly assigned. Allowing users access to the system in excess of that required for their job responsibilities increases the risk of improper activity occurring without collusion between multiple users.

2.2 Security administrator supervision

OA management does not require documented supervisory review of system logged user actions performed by the SAM II central security administrators.

As part of their job responsibilities, the SAM II central security administrators have the ability to create and modify user accounts. OA policy requires approval of a security request form by the agency security coordinator before a user account is created. The central security administrators are responsible for ensuring the security request forms received have been approved by appropriate agency personnel. OA management indicated they periodically compare logged changes made by the central security administrators against approved security request forms submitted by agency security coordinators. However, they also indicated these comparisons are neither documented nor performed regularly. According to OA management, the agency does not have sufficient personnel to segregate duties or to regularly review changes made by central security administrators.

Routinely monitoring security administrator actions can help identify significant problems and deter employees from inappropriate activities.

A similar condition was noted in our prior 3 audit reports.

Recommendations

The OA:

2.1 Disable security administrators' ability to enter transactions in the SAM II system. Because of their ability to re-enable this permission, implement documented compensating controls to mitigate this risk.

2.2 Perform and document periodic supervisory reviews of defined actions performed by security administrators.

Auditee's Response

2.1 Security has been changed.

2.2 Monthly reviews of MissouriBUYS system security administrators' activities have been occurring and will continue. OA will periodically conduct a random sample of SAM II administrator security actions to provide additional oversight.

3. Policies and Procedures

OA management has not fully developed policies and procedures for SAM II system administration. Access to software libraries has not been appropriately segregated, a policy for the reversal of programming changes has not been established, and the responsibility for maintaining contingency plans has not been formally documented. The resulting internal control weaknesses leave the system vulnerable to unauthorized changes being made and less assurance the contingency plans will remain current.

3.1 Programmer segregation of duties

OA management has not fully established policies and procedures to segregate programmer access to the SAM II system software libraries, including the production environment, or to ensure software libraries are fully protected from unauthorized changes.

Any change to an information system can potentially have significant effects on the overall security of the system, according to accepted standards. As a result, organizations should define, document, approve, and enforce access restrictions associated with changes to the information system.

Programmers responsible for development and maintenance of source code are allowed to move source code into the production environment. Management review procedures are not sufficient to ensure the source code placed in production is the approved version. As a result, a programmer can modify source code or insert new code without detection. According to OA management, the agency does not have sufficient personnel to segregate the library management functions from programmers and instead relies on supervisory review. However, supervisory reviews performed are not documented to provide evidence of their effectiveness.

Programmers should not be allowed to independently develop, test, and move program changes into production, according to the GAO. In addition, access to software libraries should be limited and the movement of programs and data among libraries should be controlled by personnel independent of both the user and the programming staff. Organizations should also conduct periodic audits of information system changes to determine whether unauthorized changes have occurred, according to accepted standards.

Inadequately segregated duties increase the risk that erroneous or fraudulent transactions could be processed, improper program changes implemented, or computer resources damaged or destroyed, according to the GAO. Management can reduce the risk of unauthorized changes and help ensure the appropriateness of changes by performing and documenting supervisory review of programmer actions if adequate resources are not available to properly segregate duties.

3.2 Change management

OA management has not fully developed a policy for reversing changes in the event of unforeseen complications in the implementation process.

According to the MAEA, change management defines the roles, processes, and standards for deployment of software through the development, test, and production environments. Change management is necessary to control versions, scope, and development of software and provides accountability and responsibility for changes. Good change management provides strict control over the implementation of system changes and thus minimizes corruption to information systems, according to the GAO.

Change control procedures did not require programming staff to document procedures for the reversal of a change to the SAM II system if the implementation did not operate as intended. Accepted standards require that, as part of the implementation plan for a proposed change, consideration should be given to how the change would be reversed in the event of a system error or other unforeseen complication. OA management told us standard written procedures have not been developed because procedures are dependent on the specific change being implemented. However, the OA has not taken any action to formally document any change-specific procedures within its change documentation.

Failure to document reversal procedures for proposed changes leaves the system at risk of extended failure and outages if a change fails to produce the expected results and necessary resources to reverse the change are not readily available.

3.3 Contingency planning

OA management has not documented specific responsibilities for oversight and maintenance of the SAM II contingency plans.

Contingency plans establish policies, procedures, and technical measures that can enable a system to be recovered quickly and effectively following a service disruption or disaster, according to the MAEA. According to accepted standards, contingency plans should be reviewed for accuracy and completeness at least annually or whenever significant changes occur to any element of the plan. While responsibility for maintaining the contingency plans has been informally assigned, OA management has not documented the formal assignment of specific responsibilities for maintaining the contingency plans. OA management indicated responsibilities related to contingency planning have not been formalized because contingency operations are very similar to regular operations and therefore require no specialized knowledge. In addition, with the process of replacing the SAM II system underway, OA management indicated expending limited resources on the existing system would not be practical.

Without a formal designation of staff responsible for oversight and maintenance, there is increased risk that contingency plans and related policies and procedures may not remain current, potentially impacting the ability to promptly restore the system and related business functions.

Similar conditions previously reported

Similar conditions to sections 3.1, and 3.2 were noted in our prior 3 audit reports, and a similar condition to section 3.3 was noted in our prior 2 audit reports.

Recommendations

The OA:

3.1 Restrict programmers from moving source code to the production environment. If resource constraints prohibit segregation of duties, sufficient supervisory review of programmer actions should be performed and documented.

3.2 Enhance change management policies and procedures by documenting procedures for the reversal of changes to the SAM II system if the implementation did not operate as intended.

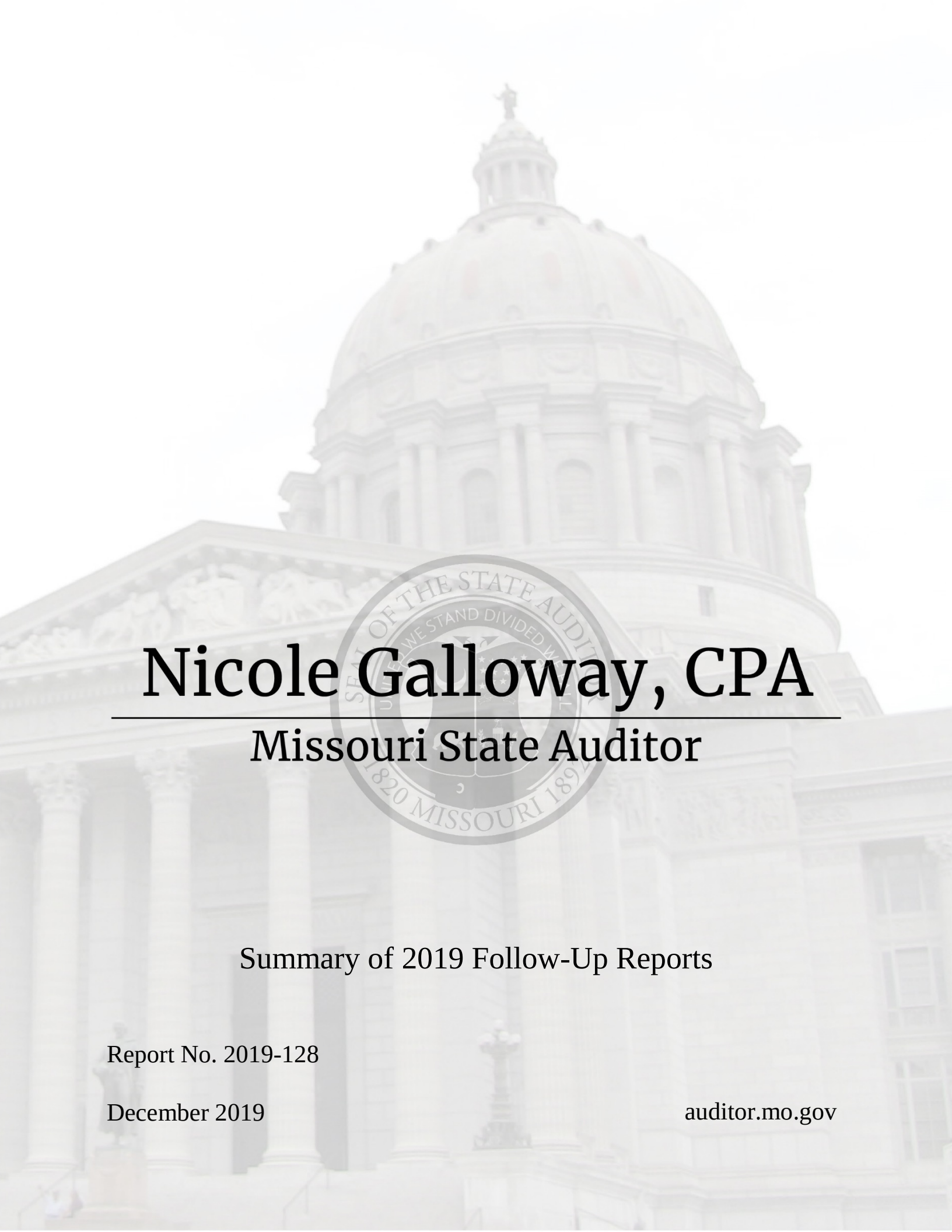
3.3 Ensure adequate, complete documentation of the system is maintained throughout the entire system life-cycle, including replacement. This documentation should include formally designating responsibility for creating and maintaining contingency plans to ensure the system is available in the event of a disaster.

Auditee's Response

3.1 OA recognizes that segregation of programmer duties is desired. However, resource constraints prohibit complete segregation of duties. OA recognizes that periodic supervisory audits of system changes are a best practice, however, we also recognize given the age of the system, few to no changes are occurring. While this finding was very relevant 10 years ago, we believe the applicability of the concern is greatly reduced or eliminated in the current environment.

3.2 Since OA is making few to no changes given the age of the accounting system, OA does not believe it is a good use of taxpayer resources to draft a policy and procedure with little to no value.

3.3 OA has successfully managed to maintain operations during recent disasters including snow storms, floods, and a tornado that unexpectedly shut down offices for two days. The morning of the recent tornado in Jefferson City was the critical day for processing state employee payroll. Even though offices were closed, employees were paid timely and without interruption because advances in technology allow staff to work from anywhere and procedures are documented sufficiently that staff completing unfamiliar tasks were successful. OA believes we have proven our abilities to maintain systems with the existing documentation.



Nicole Galloway, CPA

Missouri State Auditor

Summary of 2019 Follow-Up Reports

Report No. 2019-128

December 2019

auditor.mo.gov

Summary of 2019 Follow-Up Reports
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NICOLE GALLOWAY, CPA
Missouri State Auditor

The Citizens of Missouri

This report was compiled from follow-up reports issued in 2019. The State Auditor's Office conducted 14 follow-up reviews pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

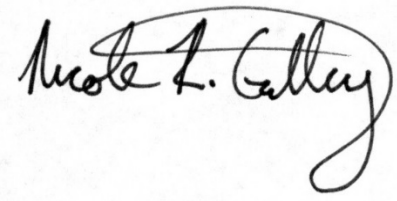
1. Identify audit report findings for which follow up is considered necessary, and inform the auditee about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

Auditors conduct follow-up work for audits with significant or serious findings when determined necessary.

Of the 227 recommendations included in the follow-up reports, 83 (37 percent) had a status of implemented, 55 (24 percent) had a status of in progress, 52 (23 percent) had a status of partially implemented, and 37 (16 percent) had a status of not implemented.



Nicole R. Galloway, CPA
State Auditor

Summary of 2019 Follow-up Reports
Status of Recommendations

1.	City of Amoret	City of Amoret received a "Poor" overall audit rating. The follow-up report focused on 20 recommendations.
	Report Number 2019-017	Status determined: Implemented 2 In Progress 4 Partially Implemented 6 Not Implemented 8
2.	City of Coffey	City of Coffey received a "Poor" overall audit rating. The follow-up report focused on 10 recommendations.
	Report Number 2019-020	Status determined: Implemented 8 In Progress 2
3.	Thirty-Seventh Judicial Circuit, City of Winona Municipal Division	Thirty-Seventh Judicial Circuit, City of Winona Municipal Division received a "Poor" overall audit rating. The follow-up report focused on 9 recommendations.
	Report Number 2019-027	Status determined: Implemented 3 In Progress 2 Partially Implemented 2 Not Implemented 2
4.	City of Winona	City of Winona received a "Poor" overall audit rating. The follow-up report focused on 26 recommendations.
	Report Number 2019-032	Status determined: Implemented 10 In Progress 5 Partially Implemented 10 Not Implemented 1

5. City of Greenville

City of Greenville received a "Poor" overall audit rating. The follow-up report focused on 18 recommendations.

Report Number 2019-049

Status determined:

Implemented	9
In Progress	3
Partially Implemented	3
Not Implemented	3

6. Sex Offender Registration

Sex Offender Registration did not receive an overall audit rating due to the nature of the report. The follow-up report focused on 6 recommendations.

Report Number 2019-056

Status determined:

Implemented	2
In Progress	3
Partially Implemented	1

7. City of Seymour

City of Seymour received a "Poor" overall audit rating. The follow-up report focused on 24 recommendations.

Report Number 2019-060

Status determined:

Implemented	8
In Progress	4
Partially Implemented	6
Not Implemented	6

8. Callaway County Collector and Property Tax System

Callaway County Collector and Property Tax System received a "Poor" overall audit rating. The follow-up report focused on 13 recommendations.

Report Number 2019-062

Status determined:

Implemented	7
In Progress	5
Partially Implemented	1

9.	Kinloch Fire Protection District	Kinloch Fire Protection District received a "Poor" overall audit rating. The follow-up report focused on 25 recommendations.
	Report Number 2019-077	Status determined:
		Implemented 5 In Progress 7 Partially Implemented 5 Not Implemented 8
10.	Smithville Area Fire Protection District	Smithville Area Fire Protection District received a "Poor" overall audit rating. The follow-up report focused on 24 recommendations.
	Report Number 2019-086	Status determined:
		Implemented 8 In Progress 6 Partially Implemented 7 Not Implemented 3
11.	City of Miller	City of Miller received a "Poor" overall audit rating. The follow-up report focused on 19 recommendations.
	Report Number 2019-111	Status determined:
		Implemented 7 In Progress 6 Partially Implemented 4 Not Implemented 2
12.	City of Miller Police Department Disbursements and Seized Property	City of Miller Police Department Disbursements and Seized Property received a "Poor" overall audit rating. The follow-up report focused on 7 recommendations.
	Report Number 2019-112	Status determined:
		Implemented 4 In Progress 3

13. Madison County Collector and Property Tax System

Madison County Collector and Property Tax System received a "Poor" overall audit rating. The follow-up report focused on 5 recommendations.

Report Number 2019-121

Status determined:

Implemented	3
In Progress	1
Partially Implemented	1

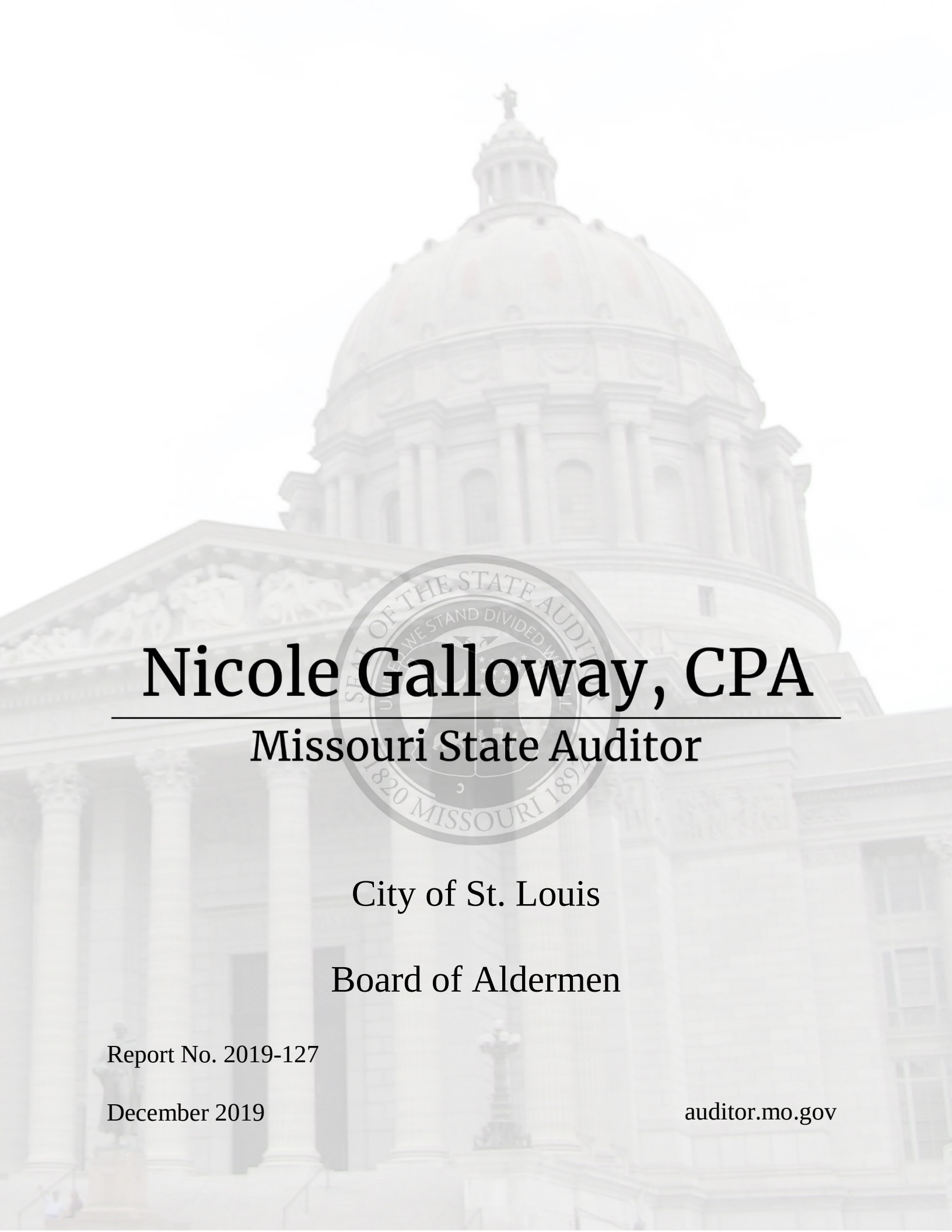
14. Village of Ferrelview

Village of Ferrelview received a "Poor" overall audit rating. The follow-up report focused on 21 recommendations.

Report Number 2019-122

Status determined:

Implemented	7
In Progress	4
Partially Implemented	6
Not Implemented	4



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Board of Aldermen

Report No. 2019-127

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of St. Louis - Board of Aldermen

Payroll Controls and Procedures	The Board of Aldermen has not adopted a written personnel manual documenting the civil service rules it uses or its policies and procedures that differ from the civil service rules. The Board does not require salaried employees to submit time records or other documentation of hours worked to support compensatory time earned. Procedures are not in place to ensure leave request forms are properly reviewed, approved, and submitted for processing.
Sunshine Law	The Board of Aldermen did not adequately prepare or retain meeting minutes for the Personnel and Administration committee meetings in accordance with the Sunshine Law.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Board of Aldermen
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Board of Aldermen's Responses....9

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Board of Aldermen
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Board of Aldermen in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city has engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2019. To minimize duplication of effort, we reviewed the CPA firm's report for the year ended June 30, 2018, audit since the year ended June 30, 2019, audit had not been completed. The scope of our audit included, but was not limited to the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the Board's internal controls over significant management and financial functions.

2. Evaluate the Board's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

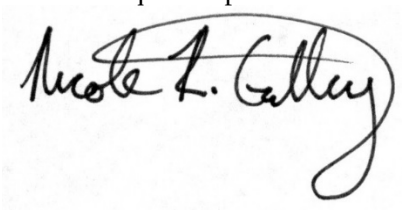
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Board's management and was not subjected to the procedures applied in our audit of the Board.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Board of Aldermen.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Erin N. Dierksen
Audit Staff:	Morgan Alexander

1. Payroll Controls and Procedures

The Board of Aldermen has not adopted comprehensive written personnel policies and procedures, and payroll controls and procedures need improvement.

1.1 Personnel manual

The Board has not adopted a written personnel manual documenting the civil service rules it uses or its policies and procedures that differ from the civil service rules. According to Article XVIII of the City Charter, all officers and employees of the Board are considered unclassified employees and are not subject to civil service rules regarding working hours, overtime, holidays, vacation, and medical leave.

Board personnel indicated the Board follows many of the civil service rules. However, the Board also follows procedures that differ from civil service rules. For example, Board employees are paid for their meal periods and also earn compensatory time for working during their meal periods unlike most other city employees. Additionally, vacation leave benefits provided to Board employees are more generous than those provided to most other city employees. Board employees earn 5 hours of vacation leave per pay period for their first 5 years of service. After 5 years, employees accrue 1 additional hour per pay period for every 5 years of additional service up to 9 hours per pay period for employees with 20 or more years of service. Most other city employees accrue 3 hours of vacation leave per pay period during the first 5 years of service, increasing to 5 hours per pay period after 5 years of service. One additional hour is accrued per pay period for each additional 5 years of service up to 8 hours per pay period for employees with 20 or more years of service.

A comprehensive personnel manual that details policies and procedures can benefit both the office and employees by providing an understanding between the Board and employees regarding rights and responsibilities. A personnel manual can also provide guidance and control for the effective and consistent management of the office and to help avoid misunderstandings and ensure management's policies are fairly and consistently applied to all employees.

1.2 Compensatory time

The Board does not require salaried employees to submit time records or other documentation of hours worked to support compensatory time earned. Employees are only required to notify their supervisors of the number of hours of compensatory time earned. Salaried employees are allowed to earn compensatory time for time worked during their meal period and for hours worked in excess of 40 hours per week.

Adequately detailed records of actual time worked are necessary to ensure compensatory time claimed as earned and/or used is appropriate. In addition, detailed records of time worked substantiate payroll disbursements and provide a method to monitor individual attendance.

1.3 Leave requests

Procedures are not in place to ensure leave request forms are properly reviewed, approved, and submitted for processing. Each employee is required to complete leave request forms to be reviewed and approved by the employee's supervisor and an approving authority (generally the payroll clerk) and submitted to the payroll clerk for processing.

We reviewed leave request forms submitted to the payroll clerk for the pay period ending June 22, 2019, and noted 6 of the 14 leave request forms reviewed (43 percent) were not approved by a supervisor. Additionally, 5 of the 14 (36 percent) were not signed by the approving authority. We also noted 1 employee did not submit a leave request until after taking 56 hours of vacation leave and the leave request was not approved by the approving authority. Board procedures require vacation leave requests of more than 16 hours be submitted for approval at least 1 week prior to the beginning of the request period.

Without accurate approval, Board officials cannot ensure hours worked and leave earned and taken by employees are properly documented. To ensure the accuracy of leave taken, leave requests should be signed by the employees and reviewed and approved by the supervisor and approving authority.

Recommendations

The Board of Aldermen:

1.1 Develop a comprehensive written personnel manual.

1.2 Require salaried employees to submit time records or other documentation of hours worked to support compensatory time earned and taken.

1.3 Ensure employee leave requests are prepared, properly signed, approved, and retained for all employees.

Auditee's Response

The Board of Aldermen provided written responses. See Appendix.

2. Sunshine Law

The Board did not adequately prepare or retain meeting minutes for committee meetings in accordance with the Sunshine Law. In addition, the Board discussed some topics in closed meetings that are not allowable by state law.

The Personnel and Administration Committee of the Board held 14 meetings from January 2018 to July 2019. According to posted meeting notices, each of these meetings was closed under Section 610.021(3), RSMo, to discuss matters related to the hiring, firing, disciplining or promoting of employees or Section 610.021(1), RSMo, to discuss legal matters. However, meeting minutes were not prepared for 2 of the 14 meetings and the minutes for 2 other meetings were insufficient. The insufficient meeting minutes only

included votes to go in and out of closed session and did not include documentation of topics discussed. Additionally, according to minutes of closed meetings, the Board discussed some topics in closed meetings that were not allowable including proposed policy changes, the upcoming budget for the Board, the decision to post open positions, and approved protocols for Board meetings.

Without sufficient minutes of all meetings, there is no record of the discussions held or support for the decisions made, and there is less assurance to the public that various statutory provisions are followed including restricting closed session discussions to only allowable topics.

Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of actions and decisions. Section 610.022, RSMo, mandates that the discussion topics and actions in closed meetings must be limited to only those specifically allowed by law as announced in the justification for closing the meeting.

Recommendation

The Board of Aldermen ensure complete and accurate meeting minutes are maintained for all meetings and meeting minutes include all the information required by the Sunshine Law. In addition, the Board should ensure closed meeting minutes include sufficient detail necessary to provide a complete record of matters discussed and actions taken, and ensure items discussed in closed meetings are allowable topics under state law.

Auditee's Response

The Board of Aldermen provided written responses. See Appendix.

City of St. Louis - Board of Aldermen
Organization and Statistical Information

The Board of Aldermen is the law making body of the City of St. Louis. The Board consists of 28 aldermen, elected by the voters of their respective wards, and a President, who is elected by a citywide vote. The members are elected for 4-year terms.

Board of Aldermen

Lewis E. Reed currently serves as the President of the Board of Aldermen for the City of St. Louis. He has served in that capacity since April 2007.

The members of the Board of Aldermen, at June 30, 2019, are identified below. The Aldermen each receive a salary of $37,310 annually and the President of the Board of Aldermen receives a salary of $90,766 annually. In addition to their salaries, each Alderman, Alderwoman, and the President receives $4,200 per year[1] for expenses.

Lewis E. Reed	Board President
Sharon Tyus	Ward 1 Alderwoman
Lisa Middlebrook	Ward 2 Alderwoman
Brandon Frazier-Bosley	Ward 3 Alderman
Samuel L. Moore	Ward 4 Alderman
Tammika Hubbard	Ward 5 Alderwoman
Christine Ingrassia	Ward 6 Alderwoman
Jack Coatar	Ward 7 Alderman
Annie Rice	Ward 8 Alderwoman
Dan Guenther	Ward 9 Alderman
Joseph Vollmer	Ward 10 Alderman
Sara Martin	Ward 11 Alderwoman
Larry Arnowitz	Ward 12 Alderman
Beth Murphy	Ward 13 Alderwoman
Carol Howard	Ward 14 Alderwoman
Megan E. Green	Ward 15 Alderwoman
Tom Oldenburg	Ward 16 Alderman
Joseph D. Roddy	Ward 17 Alderman
Jesse Todd	Ward 18 Alderman
Marlene E. Davis	Ward 19 Alderwoman
Cara Spencer	Ward 20 Alderwoman
John Collins-Muhammad	Ward 21 Alderman
Jeffrey L. Boyd	Ward 22 Alderman
Joseph Vaccaro	Ward 23 Alderman
Bret Narayan	Ward 24 Alderman
Shane Cohn	Ward 25 Alderman
Shameem Clark Hubbard	Ward 26 Alderman
Pam Boyd	Ward 27 Alderwoman
Heather Navarro	Ward 28 Alderwoman

[1] Five aldermen elected to receive reimbursements for expenses rather than the $4,200 stipend.

Other Significant Employees

Terry Kennedy has served as the Clerk to the Board of Aldermen since April 2019. Louis Galli serves as Counsel to the Board of Aldermen. Tom Shepard serves as the Chief of Staff to the President of the Board of Aldermen. The Board of Aldermen had 14 employees on June 30, 2019.

Ward Capital Improvement Accounts

In 1993, city voters approved a 1/2-cent sales tax for the purpose of funding capital improvements. In accordance with the ballot and ordinance number 62885, 50 percent of the sales tax proceeds are allocated equally between the city's 28 wards and credited to individual ward capital improvement sub-accounts. In accordance with the annual appropriation bill, these capital improvement monies can only be transferred and credited to another ward capital improvement sub-account for use by another ward upon the recommendation of the aldermen involved and the recommendation and approval of the Board of Estimate and Apportionment.

During the fiscal year ended June 30, 2019, each ward received approximately $328,500 for capital improvement projects. City offices or aldermen present potential projects to be funded by ward capital improvement funds. Projects selected are approved by the respective ward alderman. At June 30, 2019, monies held in ward capital improvement accounts that had not been assigned to an ongoing or future project totaled approximately $6.6 million, an average of approximately $235,700 per ward account.

Memo

To: **Ms. Nicole Galloway, CPA**
Missouri State Auditor
From: **Clerk**
St. Louis Board of Aldermen
Subject: **Response to 2019 Audit Report of the St. Louis Board of Aldermen**
Date: **November 26, 2019**

Overview
The following is the Clerk's reply to the 2019 Audit Report from the Missouri State Auditor.

Acknowledgments
We would like to thank the staff of the Missouri Auditors Office for their review of the St. Louis Board of Aldermen. We found those assigned to the Board of Aldermen professional, sensitive and accommodating. This was greatly appreciated. Their findings and recommendations are in line with where the Board is headed and affirms the new direction the Board is taking.

Background and Authority
The St. Louis Board of Aldermen is the legislative branch of city government. Its job is to make the laws that the administrative branch, the Mayor's office, is to implement. The Mayor's office is to see to the daily operations of the city and the administration of city services. The departments heads are selected and directed by the Mayor and sit on the Mayor's cabinet. They are not selected or approved by the Board of Aldermen.

The Board of Aldermen also provides checks and balances to the administrative branch of government. It has the power to investigate matters and legislate laws that direct city activities. However, the Board is not empowered to see to the implementation of laws. According to its own rules Board members or its committees cannot assume executive functions. The Board of Aldermen is to the city what Congress is to the Federal Government.

Structure and Charter of 1914
The present City Charter of 1914 created the Board of Aldermen. Before this, the city had a bicameral government. It had a Municipal Assembly composed of a House of Delegates and a Council. These two bodies made up the legislative branch of the municipal government.

The Charter of 1914, which is the present charter, created a single body called the Board of Aldermen. The present Charter created the Aldermanic job a part time position. In the early days most members worked other jobs while being Alderman.

This Charter created only three elected municipal positions as full time. This would be the Mayor, the Comptroller and the President of the Board of Aldermen. All three of these positions are elected City-wide. Two of the three positions are administrative positions with the Mayor being the Chief Executive/Administrative officer of the city. The President of the Board presides over Board meetings. The Comptroller handles City financial affairs.

Because the 1914 Charter envisioned the Board of Aldermen as a part time body of individuals its staff represented this vision. The Board did not have an extensive staff which has continued until today. Though ordinances have become more numerous and complicated than in 1914 the number staff members has not kept up with the changing times. In the past Board members could work a full time job and periodically attend a few Board committee meetings during the day and one full Board meeting a week. Today, there is an increased

number of committees, far more committee meetings, numerous meetings in the day and an increasing number of meetings held in the evening.

There is about one secretary for every five to six Aldermen; two, and at times three members, share a single office. Though the Board's primary function is the writing and passage of laws there is only one attorney for the 29 members. There are no assistants or aides for Board members. There are other staff members related to the processing of bills and resolutions. Between Board Bills and Resolutions, the Board processes about 600-700 pieces of legislation a session.

Legislative Sessions and Fiscal Years
The Board of Aldermen primality operates by Legislative Sessions. These sessions are outlined by the City Charter. A Legislative Session begins the third Tuesday of April of each year and ends the third Monday of April of each year. Other city departments primarily operate by the City's Fiscal Year. The City's Fiscal Year Begins the July1 and ends June 30th of each year.

The city's Fiscal Year and the Board's Legislative Session overlap. The State Auditors told Board staff that they were looking at fiscal years, though the Board measures its activities by Legislative Session.

The City's Fiscal Year ends a little more than two months into the beginning of a Board of Aldermen's Legislative Session. This is significant because some improvements made by the Board at the beginning of its Legislative Session, when the Board reconvene often times with newly elected members, were only counted by the Auditor's as an improvement in the last quarter of the Fiscal Year.

Combining the Clerk and the Legal Counsel
In 2003, due to a projected shortfall in the city budget, all city departments looked for ways to reduce their budgets. The Board of Aldermen, which was already short staffed, responded by combining the Clerk's position with the Board's Legal Counsel. Though needing additional staff to keep up with an increased workload, the Board also placed a temporary freeze on hiring new staff and filling vacancies.

Unlike other departments of the city the Board of Aldermen is an office composed of 29 elected officials. This includes 28 Aldermen and a President. Each position addresses a plethora of constituent needs but with little staff to help.

Until recently the Board did not have a financial advisor to help with drafting and review of Board Bills and fiscal notes. There is no legal research team. Each Aldermen shared a secretary with four or five others. Board members have no assistant, aide or community liaison officer as do other city elected officials. Though the volume and complexity of the work of Aldermen has increased over the years its staff did not reflect those needs or changes. This means the Board was already understaffed when tightening the budget became a necessity in 2003.

Effects of Combining the Clerk and Legal Counsel
The Clerk is the chief administrative officer of the Board. This position oversees all operations and manages all staff. The Clerk is the keeper of the archives and sees to the organization and administration of all meetings.

The Legal Counsel writes Board Bills, advises Board members on all legal matters and represents the Board related to litigation. Alone, each position is demanding and has voluminous and extremely important duties. Combined, the duties were more than challenging.

Though, combining the positions answered the short-term financial concerns, in the long run, it proved to cripple the operations of the Board. Those hired for the combined position were licensed attorney's in the State

of Missouri. Their tendency, and understandably so, was to concentrate on the law aspects of the combined position. This meant that many of Clerking duties fell to the way side.

Still further, as many of these Clerks left the Board for new job opportunities, there were significant periods of time when the duties of the Clerk became divided among staff members. This meant they had to perform their regular duties as well as the additional tasks. At other times there was only an acting Clerk. This ongoing lack of a Clerk disrupted the continuity of work and knowledge of Board administrative affairs.

The combined position lasted from April 2003 until April of 2019. In April of 2019 the positions were once again divided as envisioned and designed by the City Charter.

New Beginnings

Board of Aldermen Operational Development Plan

In April of 2019, at the beginning of the present Legislative Session, the Board brought on a new Clerk dedicated to just that position. In April the new Clerk provided the Board President with a Board of Aldermen Operational Development Plan. This plan outlined what steps would be taken to improve the operations and compliances of the Board. It also covered advances never before seen by the Board.

This plan was reviewed by the Personnel Committee of the Board and was shared with the Auditors when they began their review. The first step of the plan was a complete review of all Board of Aldermen policies, procedures, systems, processes, equipment, facilities, supplies and staffing. The plan called for glaring items to be addressed immediately in order to bring the Board complainant with its rules and applicable laws.

New Minutes and Agendas

In April 2019, which was the beginning of the present Board of Aldermen Legislative Session but was the last quarter of the City's Fiscal Year, the new Clerk implemented minutes and agendas for all committee meetings. This was completely new for the Board. Though the Board made and kept detailed rolls calls of all committee votes never in its history had it had or kept detailed minutes and agendas for all committee meetings. Minutes and agendas were only made for the meeting of the entire Board.

Other Changes and Updates

The new Clerk implemented changes in the staff sign in process, vacation requests and comp. time forms and requirements. A six-month report on this plan was issued to the Personnel Committee in October 2019. Numerous items were either addressed, improved and/or brought into compliance. Many of the items mentioned in the Auditor's report were addressed or were being addressed before the audit began. A step by step development plan was new for the Board and had just began in mid -April of 2019. The Audit of the Board began in May.

Audit Review

The first meeting with Board staff and the State Auditors took place in May 2019. The new Clerk had in place less than a month. The Assistant Clerk had only been in their position for about seven months.

The Auditors asked for and received information from the Fiscal Years of 2018, 2019 and 2020. 2020 is the present City Fiscal Year. These fiscal years overlap three Legislative Sessions. These are the 2017 – 2018, 2018 – 2019 and the present 2019- 2020 Legislative Session.

Responses

Topic Item Number 1
Payroll Controls and Procedures

Item 1.1 Personnel Manual
With the installment of the new Clerk, the Board of Aldermen's first comprehensive Employee Manual was drafted and submitted to the President of the Board of Aldermen in April of 2019 and later the Personnel and Administrative Committee of the Board. This Aldermanic Committee oversees the operations of the Board. This is the first complete personnel manual that the Board has ever had for its staff. Previous to this new manual a few policies related to the staff were covered in the Board's Rules. This manual covers far more than the items outlined in the rules.

The new manual includes new policies related to vacation time, sick leave, sign in, compensatory time and many other protocols and policies. It covers items recommended in the Auditor's report and much more. Some of the policies outlined in the new employee manual are independent policies from the manual but are reviewed and referenced in the new manual. Each separate policy referenced in the Employee Manual has to be reviewed and adopted by the committee before the full Employee Manual can be passed by the committee. This takes time and detailed review.

This manual was drafted and presented before the Auditors met with the Board's staff. It has received preliminary review and endorsement by the committee. It was shared with the Auditors once their review of the Board began. It is anticipated that all portions of the new manual and the new manual itself will be adopted by early 2020.

Also submitted was the Board's first Record Retention Policy. This policy sets out requirements and procedures related to the staff's usage, retention and destruction of documents. Though it is a separate document it is one of the policies mentioned and referenced in the new Personnel Manual. This policy was adopted by the committee. It represents one of several portions of the new Employee Manual that has been adopted. In relations to this policy the staff took time over this past summer to completely reorganize, update and arrange its archives. Over 470 boxes of files were removed from the archive room and rearranged on the new shelving acquired for this update. These files had not been organized to this extent in decades.

Item 1.2 Compensation Time
The Board does not provide payment for overtime work. It does allow for compensation time when employees have to work beyond the normal work hours. A policy related to this was presented by the Clerk in June of 2019 to the Personnel Committee for review and adoption. The Board did not have a written policy on this matter. This new policy includes how compensation will be determined, recognized, implemented, lodged and verified. It also sets out guidelines on what happens if an employee has to temporarily but, on an extended basis, take on additional duties due to absence of an employee or due to a position being vacant. This too is a new, independent policy but is reviewed and referenced in the new Personnel Manual.

A new policy proposed by the Clerk has been presented and adopted by the Personnel Committee related to accruing vacation time. One of the vacation schedules outlined in the City's Civil Service manual related to vacations was adopted by the Personnel Committee in October of 2019. Also adopted was the policy of reviewing the vacation accrual schedule every time the city updates its Civil Service policies. This is to ensure that the Board stays up-to-date on personnel vacation accrual policies. The implementation of minutes of all committee meetings, which is new for the Board, will maintain an archive so that future Boards will know where things are.

Item 1.3 Leave Time
Leave time policies are covered in the new Employee Manual. New processes have been already been implemented that ensures that all leave time forms are approved and signed by the proper supervisory staff. The new procedures ensure that all leave forms are approved and signed by the Clerk before the leave is taken.

Topic Item Number 2
Sunshine Law

Meeting Minutes
For the first time in the history of the Board of Aldermen comprehensive, written minutes and agendas are being created and kept for all Board of Aldermen committee meetings. This began in April of 2019 when the 2019-2020 Legislative Session. began This is also before the Auditor's met with staff. In the past the Board only kept tally sheets of committee meetings showing the votes. Committee meetings are also video recorded and streamed live.

The new minutes are a comprehensive review of committee meetings that not only show the vote count but also the proceedings of the meeting. The new minutes include a review of all of closed sessions as well as what was discussed in closed session. All closed sessions have been related to the hiring, firing, disciplining and/or promotion of employees. Some items had to be discussed in relations to these topics as well.

Very soon these minutes will be posted on the Board of Aldermen's web page. This will take a redesign of this page. A number of changes to this page are underway by the city's Information Technology Department that maintains this web page.

The 14 closed session meetings mentioned in the Auditor's report cover three fiscal years. The new minutes were implemented in April of 2019. The new minutes therefore only cover the last quarter of the last fiscal year reviewed by the Auditors.

The shape, form, look, style and scope of the minutes are still evolving. The minutes used today are somewhat different than how they started in April of 2019. Despite the staff shortage all committee meetings in the present Legislative Session have minutes and agendas without one meeting being missed.

Minutes of the Full Board meetings were also redesigned in April of 2019. This was done to better reflect the meetings and to provide more information for the public. In the past years Board minutes were not kept up-to-date. Though the Board meets every Friday, except when there is a holiday, minutes of meetings would not be produced for weeks at a time. Sometimes, minutes would be presented for approval months after the meeting. In April the new Clerk and staff began to ensure that all weekly full Board meeting minutes are prepared and sent to the members for approval in a timely manner. Minutes of the Friday full Board member meeting are ready for review and approval by Board members following Wednesday. They are also uploaded on the website at that time. This change also allows for the minutes to be timely published in the City Journal which is published weekly.

Summary
Though much needs to be done to bring the Board up to full compliance with its Rules and present needs, after almost two decades of being without a full-time Clerk, it has come a long way in very short period of time. It had addressed or was addressing many of the recommendations of the Auditors before they began their audit. The 2019-2020 Legislative Session marks a new beginning for the St. Louis Board of Aldermen.

NICOLE GALLOWAY, CPA
Missouri State Auditor

December 19, 2019

Honorable Mike Parson, Governor
and
Members of the General Assembly

The State Auditor's Office reviewed state agency compliance with Section 536.175, RSMo. We determined the Secretary of State, State Auditor, State Treasurer, Attorney General, Public School Retirement System, Local Government Employees' Retirement System, Missouri State Employees' Retirement System, County Employees' Retirement Fund, Kansas City Board of Police Commissioners, St. Louis Board of Police Commissioners,[1] Public Defender Commission, and Department of Health and Senior Services met the requirements of Section 536.175, RSMo. These requirements include each agency reviewing its existing rules, completing and filing the periodic rule review report with the Joint Committee on Administrative Rules (JCAR), and ensuring the report is available on the agency's website.

Section 536.175, RSMo, requires a 5 year rolling review by all state agencies of their existing rules. The first group of agencies (Title 1 through 6 of the Code of State Regulations [CSR]) were required to begin their rule review no later than July 1, 2015, and to complete it by June 30, 2016. The second group of agencies (Title 7 through 10 of the CSR) were required to begin their rule review no later than July 1, 2016, and to complete it by June 30, 2017. The third group of agencies (Title 11 through 14 of the CSR) were required to begin their rule review no later than July 1, 2017, and complete it by July 30, 2018. The fourth group of agencies (Title 15 through 19 of the CSR) were required to begin their rule review no later than July 1, 2018, and complete it by July 30, 2019. The final group of agencies (Title 20 through 22 of the CSR) began their rule review no later than July 1, 2019. Each agency must repeat this process every 5 years, and the first group of agencies will begin their review process again no later than July 1, 2020.

The JCAR publishes in the Missouri Register a notification of which rules are subject to review and the process for this review, including who the public may submit comments to at each agency. Each agency must prepare a report of the results of the agency's rule review with an attached appendix summarizing comments received and the agency's response. The agency must file the report and appendix electronically with the JCAR and the small business regulatory fairness board no later than June 30th after the JCAR publishes the notice. These reports also must be made available on the state agency's website.

Any rule not included in the agency review and report may become null and void. There is a process in place before nullification of a rule, including the ability of the agency to request an extension from the JCAR and a notice and opportunity for the agency to correct the delinquency.

[1] Proposition A, adopted in November 2012, eliminated the St. Louis Board of Police Commissioners and established the Metropolitan Police Department - City of St. Louis (SLMPD). Therefore, we contacted the SLMPD for our review.

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

On July 2, 2018, the JCAR published in the Missouri Register the notification of the agency rules (Title 15 through 19) subject to review and the process, as required by Section 536.175.2, RSMo. The following agencies began their rule review on July 1, 2018, and completed the review process by June 30, 2019:

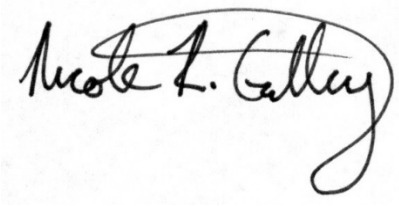
Title 15 - Elected Officials
Title 16 - Retirement Systems
Title 17 - Boards of Police Commissioners
Title 18 - Public Defender Commission
Title 19 - Department of Health and Senior Services

Based on a review of the JCAR's website, each agency timely completed and filed its periodic rule review report by June 30, 2019. These reports are available on that website. Each agency also posts its report on the agency's website.

On October 25, 2019, my office sent a letter to each agency to confirm the information from this review. Each agency provided a response. The table below provides a summary of the information determined from this review.

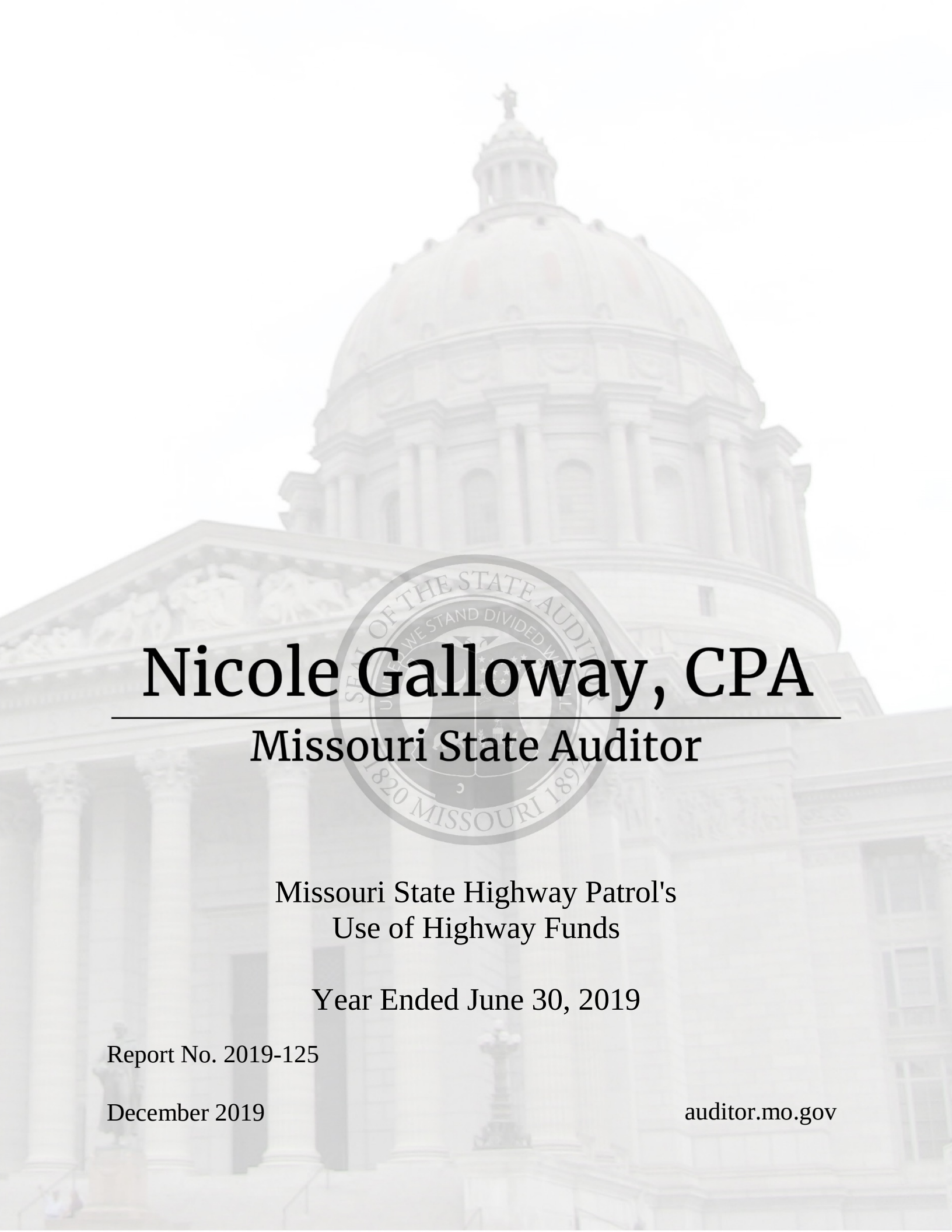
Department	Number of Rules Reviewed	Number of Comments Received	Rule Report Filed with the JCAR	Rule Report Available on Agency Website
Secretary of State	211	0	Yes	Yes
State Auditor	31	0	Yes	Yes
State Treasurer	15	0	Yes	Yes
Attorney General	108	0	Yes	Yes
Public School Retirement System (PSRS/PEERS)	40	0	Yes	Yes
Local Government Employees' Retirement System (LAGERS)	25	0	Yes	Yes
State Employees' Retirement System (MOSERS)	1	0	Yes	Yes
County Employees' Retirement Fund (CERF)	42	0	Yes	Yes
Kansas City Board of Police Commissioners	7	0	Yes	Yes
St. Louis Board of Police Commissioners	50	0	Yes	Yes
Public Defender Commission	6	0	Yes	Yes
Department of Health and Senior Services	759	0	Yes	Yes

Based on this review, these agencies timely completed their rule review process and report as required under Section 536.175, RSMo; and, no further action is necessary.



Nicole R. Galloway, CPA
State Auditor

cc: Waylene Hiles, Director, Joint Committee on Administrative Rules
John Ashcroft, Secretary of State
Scott Fitzpatrick, State Treasurer
Eric Schmitt, Attorney General
M. Steve Yoakum, Executive Director, PSRS/PEERS
Robert Wilson, Executive Director, Missouri LAGERS
Rhonda Stegmann, Executive Director, MOSERS
Sarah Maxwell, Executive Director, CERF
Nathan Garrett, President, Kansas City Board of Police Commissioners
Colonel John W. Hayden, Jr., Police Commissioner, Metropolitan Police Department - City of St. Louis
Greg Mermelstein, Interim Director, State Public Defender System
Randall Williams, Director, Department of Health and Senior Services



Nicole Galloway, CPA

Missouri State Auditor

Missouri State Highway Patrol's
Use of Highway Funds

Year Ended June 30, 2019

Report No. 2019-125

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Missouri State Highway Patrol's Use of Highway Funds

Background

Missouri state law requires the Missouri State Auditor to examine whether State Highways and Transportation Fund appropriations to the Missouri State Highway Patrol are used in accordance with the Missouri Constitution, which limits the use of these funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations.

Methodology

Audit staff reviewed policies and procedures, financial records and other pertinent documents; interviewed agency personnel; and tested selected transactions. Auditors also reviewed highway patrol calculations of amounts spent for non-highway activities; and the amounts spent for highway-related activities from other funding sources.

Conclusions

The audit determined the Missouri State Highway Patrol complied with legal provisions related to the use of this funding for the 2019 fiscal year.

Because of the limited objective of this review, no overall rating is provided.

Missouri State Highway Patrol's Use of Highway Funds
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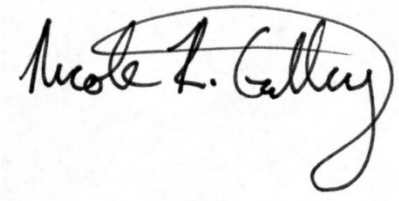
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sandra K. Karsten, Director
Department of Public Safety
and
Colonel Eric T. Olson, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The Background, Methodology, and Conclusions present our comments concerning the overall compliance related to the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Jacob Thompson

Missouri State Highway Patrol's Use of Highway Funds Background, Methodology, and Conclusions

Background

The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution.

Limitations and requirements

Article IV, Section 30(b), Missouri Constitution, limits the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

" . . . Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January fifteenth of each year."

During the year ended June 30, 2019, the MSHP used appropriations from the State Highway Fund as follows:

		Appropriation Authority	Expenditures	Lapsed Balances*
Enforcement personal service	$	76,593,852	68,596,384	7,997,468
Enforcement expense and equipment		6,486,658	5,835,400	651,258
Technical services personal service		16,224,942	14,151,320	2,073,622
Technical services expense and equipment		14,339,238	13,727,663	611,575
Vehicle and driver safety personal service		11,469,917	10,602,702	867,215
Vehicle and driver safety expense and equipment		1,020,875	802,299	218,576
Refund unused motor vehicle inspection stickers		100,000	43,185	56,815
Administration personal service		6,270,112	6,081,803	188,309
Administration expense and equipment		462,589	404,561	58,028
Crime laboratories personal service		4,125,861	3,864,126	261,735
Crime laboratories expense and equipment		1,259,249	1,127,057	132,192
Law Enforcement Academy personal service		1,362,021	1,269,144	92,877
Law Enforcement Academy expense and equipment		73,576	57,291	16,285
Fringe benefits personal service		87,013,521	76,969,510	10,044,011
Fringe benefits expense and equipment		6,571,488	6,554,216	17,272
Vehicle replacement expense and equipment		6,323,075	3,848,997	2,474,078
Gasoline expenses		4,837,264	3,349,655	1,487,609
Interoperable system highway		5,612,926	5,435,642	177,284
Interoperable ongoing highway		4,100,000	3,662,123	437,877
Total	$	254,247,164	226,383,078	27,864,086

* The lapsed balances include withholdings made at the Governor's request totaling $4,816,865.

Methodology

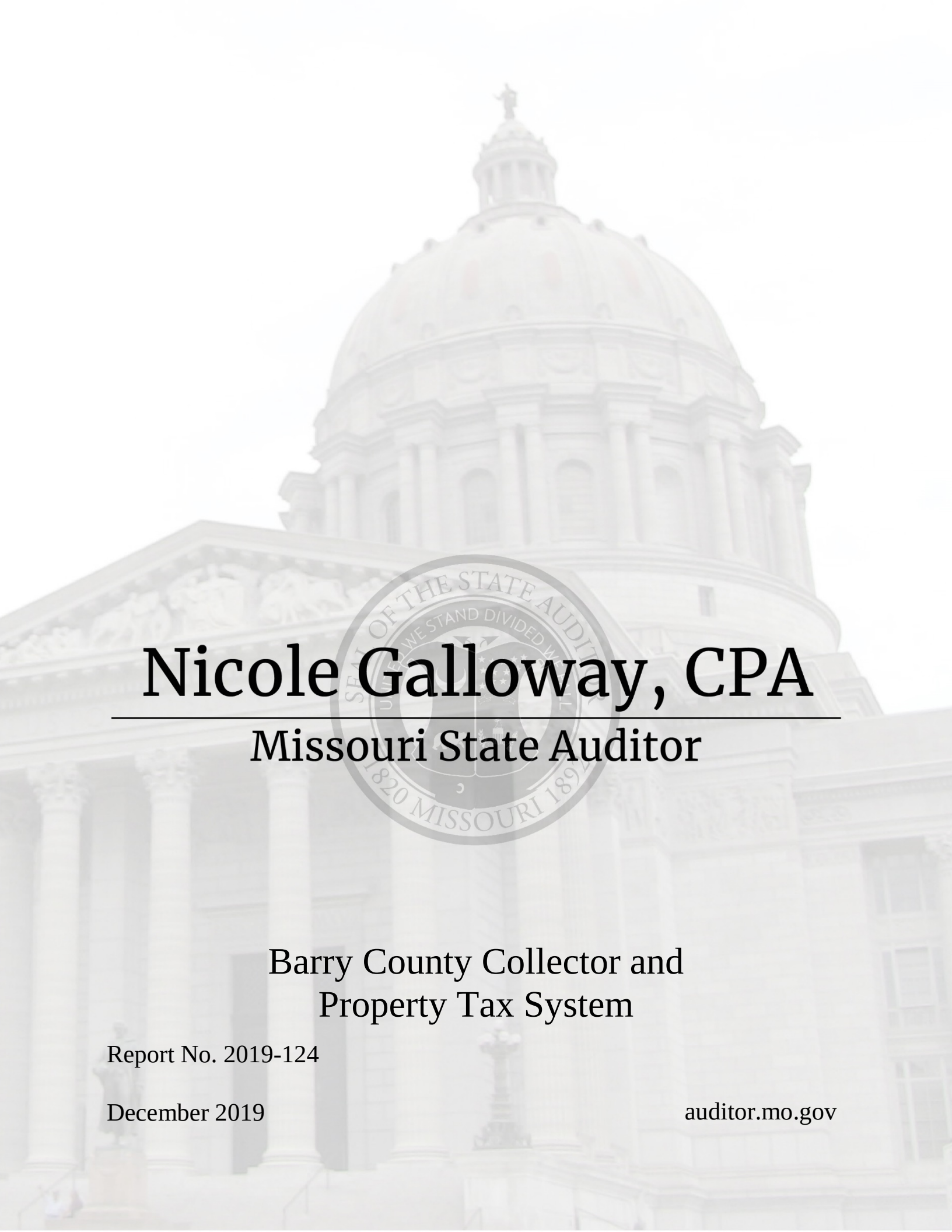
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objective and assessed the design, implementation, and operating effectiveness of such internal control to the extent necessary to address our audit objective. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine whether the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts expended by the MSHP for highway-related activities from other funding sources. We compared the amounts used in the MSHP calculations to

expenditures recorded in the state accounting system (SAM II) and other supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

Conclusions

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2019, the MSHP spent approximately $2,790,000 appropriated from the State Highway Fund for expenditures not related to highway activities. This amount included non-highway personal service expenditures made from the State Highway Fund from appropriations for administration, crime laboratories, training academy, and fringe benefits; and expense and equipment expenditures from appropriations for administration and fringe benefits. However, these expenditures were more than offset by personal service and/or expense and equipment expenditures totaling approximately $6,956,000 from appropriations for crime laboratories, training academy, technical services, gasoline, and fringe benefits that were related to highway activities but not paid from the State Highway Fund. As a result, approximately $4,166,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2019.



Nicole Galloway, CPA

Missouri State Auditor

Barry County Collector and Property Tax System

Report No. 2019-124

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Barry County Collector and Property Tax System

County Collector's Controls and Procedures	The County Collector's office does not reconcile the composition of receipts to the composition of deposits, and personal commissions are not reported to the Internal Revenue Service by the county or applicable cities.
Property Tax System	Refunds of overpayments related to errors in property tax records are not always properly recorded in the property tax system, and reductions in assessed valuations do not always go through the abatement process. Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Collector's annual settlements for the years ended February 28, 2019, and 2018, were not complete and accurate.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Barry County Collector and Property Tax System
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
County Collector
Barry County, Missouri

We have audited the County Collector and Property Tax System of Barry County in fulfillment of our duties under Section 29.230, RSMo. Additionally, Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On June 30, 2019, a vacancy occurred in the office of the County Collector of Barry County. A successor was appointed and sworn into office effective July 17, 2019. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2019, to June 30, 2019, and the 2 years ended February 28, 2019. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.

2. Evaluate the county's compliance with certain legal provisions.

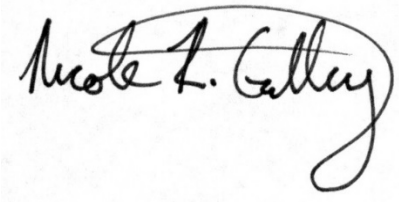
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Barry County.

An additional report, No. 2019-118, *Barry County*, was issued in December 2019.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Connie James, CGAP
	Marian Rader, M.Acct., CPA, CFE, CGFM
Audit Staff:	Misty Bowen, MSED

1. County Collector's Controls and Procedures

The County Collector's office does not reconcile the composition of receipts to the composition of deposits, and personal commissions are not reported to the Internal Revenue Service (IRS). Property taxes and other monies collected by the County Collector totaled approximately $24.4 million during the year ended February 28, 2018, and approximately $25.8 million during the year ended February 28, 2019.

1.1 Composition of receipts

The County Collector does not reconcile the composition of receipts (cash, check, money order, or credit card) to the composition of deposits. For 16 out of the 43 deposits reviewed (37 percent), the composition of receipts did not agree to the composition of deposits. The method of payment is marked on the tax statements and is entered in the computer system. However, when more than one form of payment is used, both forms of payments are not always entered in the computer system. A report is generated from the computer system totaling receipts by the method of payment. However, the composition of receipts on this report is not reconciled to the composition of deposits.

Failure to implement adequate recording, reconciling, and depositing procedures increases the risk of loss, theft, or misuse of monies received will go undetected.

A similar condition was noted in our prior county audit report.

1.2 Commissions

Personal commissions are not reported to the IRS by the county or applicable cities. The County Collector was personally paid commissions for the collection of city taxes totaling $9,515, $9,513, and $9,915 for the years ended February 28, 2019, 2018, and 2017, respectively. Since these payments were not processed through the county payroll system, they were not reported on the employee's W-2 forms, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes was not paid. The IRS regulations require individuals treated as employees to have all compensation reported on W-2 forms.

To ensure all compensation is properly reported and taxed, all compensation should be paid through the normal county payroll process. The failure to properly report and tax all wages could result in penalty and interest charges assessed against the county.

Recommendations

The County Collector:

1.1 Accurately indicate the method of payment and reconcile the composition of receipts to the composition of deposits.

1.2 Ensure all compensation is paid through the county's normal payroll process, properly taxed, and reported to the Internal Revenue Service.

Auditee's Response

1.1 The County Collector agrees and will be working with her staff and the system capabilities to ensure the accurate method of payment is entered into the system and is reconciled to the deposits made.

1.2 The County Collector has not been able to receive approval from the County Commission to process the commissions through the county payroll system, so she is researching other options to ensure commissions received for the collection of cities' taxes are properly reported to the IRS.

2. Property Tax System

Controls and procedures of the property tax system need improvement.

2.1 Abatements

Refunds of overpayments related to errors in property tax records are not always properly recorded in the property tax system, and reductions in assessed valuations do not always go through the abatement process. If an error in a property tax record resulting in an overpayment is identified after the related tax has been paid, the County Assessor adjusts the assessed value of the property in the subsequent tax year so that the tax liability is reduced to offset the amount of the overpayment. The County Assessor enters a reminder into the tax system to verify the accuracy of the assessed value in the following year. However, the County Collector should issue a refund check for tax overpayments instead of the County Assessor changing assessed valuations to lower a future payment.

The lack of independent verification and approval of changes in the property tax system significantly increases the risk of intentional and unintentional errors and omissions to the property tax books. Presenting abatement orders to the County Commission provides an independent review of changes made to the property tax system and helps ensure these changes are proper.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books as ordered by the County Commission. Section 53.030, RSMo, requires the County Assessor to take an oath to assess property at what he or she believes to be the actual cash value, and no provision of law permits the County Assessor to change the assessment based on overpayment of tax. Making adjustments to assessed valuations to satisfy overpayments increases the risk of improper assessments in future years and loss of tax revenues.

2.2 Review of annual settlements

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission did not provide any evidence they had verified the accuracy and

completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector. Such procedures are intended to establish checks and balances related to the collection of property taxes.

A similar condition was noted in our prior 2 county audit reports.

2.3 Accuracy of annual settlements

The County Collector's annual settlements for the years ended February 28, 2019, and 2018, were not complete and accurate. The annual settlements did not include private car tax receipts totaling $47,020 for the year ended February 28, 2019, and $43,565 for the year ended February 28, 2018. The annual settlements also did not accurately report the taxes outlawed at the conclusion of the year ended February 28, 2019, totaling $44,529, or the taxes outlawed at the conclusion of the year ended February 28, 2018, totaling $40,300. These outlawed amounts were not reported as abatements, but were erroneously reported as delinquent taxes.

The County Collector should ensure complete and accurate annual settlements are prepared to provide assurance all collections and distributions are accounted for properly. Incomplete and/or inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism for accounting for all monies the County Collector is charged with collecting. As noted in section 2.2, procedures should be performed by the County Clerk and the County Commission to verify the accuracy of the County Collector's annual settlements.

Recommendations

2.1 The County Assessor discontinue the practice of changing assessed valuations for subsequent billings when overpayments occur and present abatement orders to the County Commission for correction of all erroneous assessments.

2.2 The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission

should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

2.3 The County Collector prepare complete and accurate annual settlements.

Auditee's Response

2.1 The County Assessor will work with the County Collector to discontinue the practice of adjusting the assessed values on future tax years when an adjustment is required after the related tax has been paid. Refunds will be issued in this situation and the County Assessor will follow the procedure established for abatements including presenting the abatement orders to the County Commission.

2.2 The County Clerk is in the process of developing a system to track the activity of the County Collector. The County Commission will use the developed account book to verify the annual settlement.

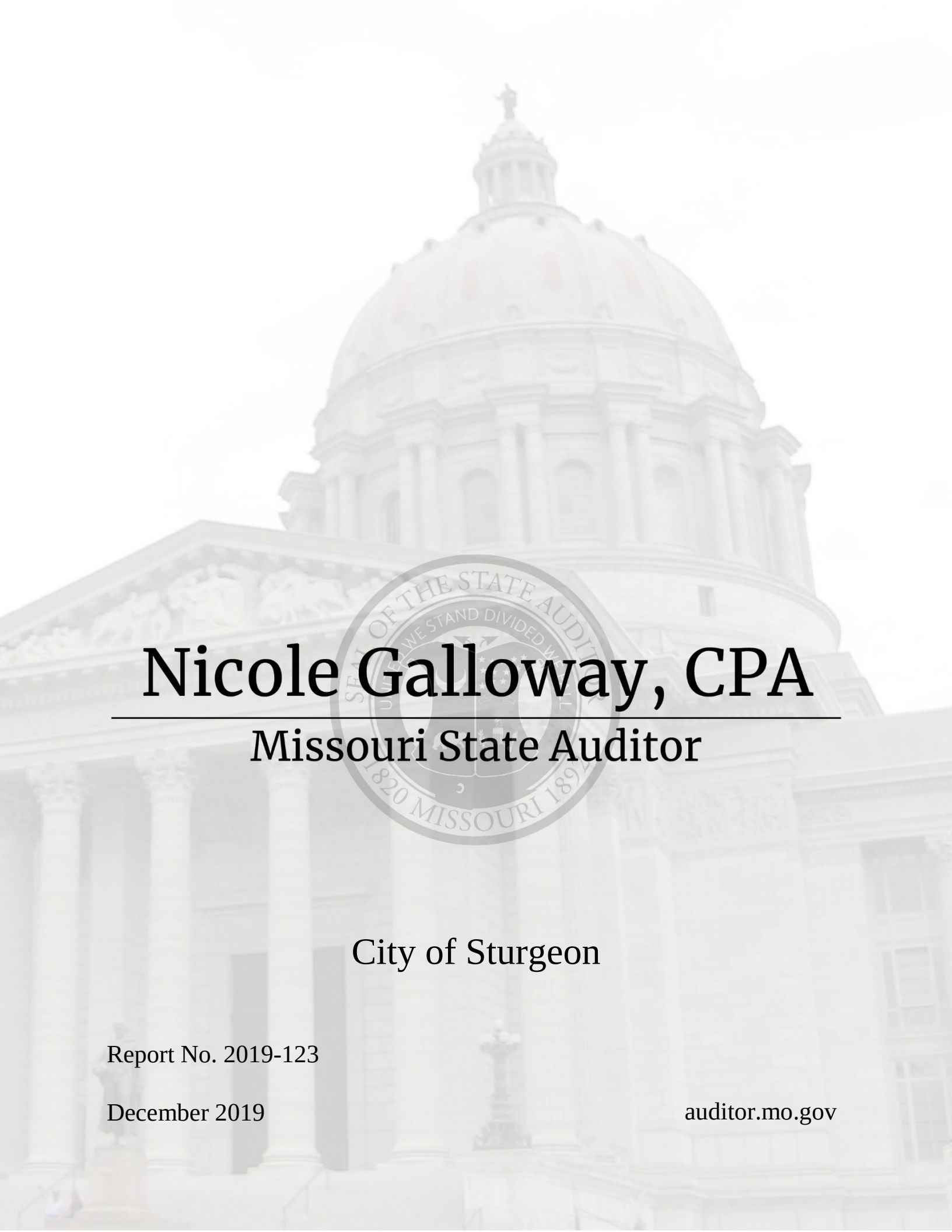
2.3 The County Collector agrees to include the private car tax receipts on the annual settlement and will ensure the outlawed taxes are accurately reported as abated.

Barry County Collector and Property Tax System
Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Janice Varner served as County Collector until June 30, 2019. Skyler Bowman was appointed the Barry County Collector and sworn into office on July 17, 2019.

The County Collector received compensation of $17,003 for the period March 1, 2019, to June 30, 2019. The County Collector received compensation of $54,890 for the year ended February 28, 2019, and $54,513 for the year ended February 28, 2018. Compensation was in accordance with statutory provisions.



Nicole Galloway, CPA

Missouri State Auditor

City of Sturgeon

Report No. 2019-123

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Sturgeon

Mt. Horeb Cemetery Fund	The Board of Aldermen has not maintained restricted revenues of the Mt. Horeb Cemetery Fund in compliance with state law. The Board maintains the assets of the Mt. Horeb Cemetery Fund with other city assets in violation of city code.
Budget, Financial Reporting, and Accounting Records	The city budget prepared for the year ended June 30, 2019, did not contain all required elements. The financial statements submitted to the State Auditor's Office for the year ended June 30, 2019, and 6 prior years were not adequate. The city did not maintain accurate accounting records.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed. The city's procedures for receipting, recording, and depositing monies are poor. City personnel did not prepare adequate bank reconciliations for the general bank account.
Sunshine Law	Weaknesses exist in the documentation of minutes for Board meetings.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Sturgeon
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Sturgeon, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Sturgeon. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

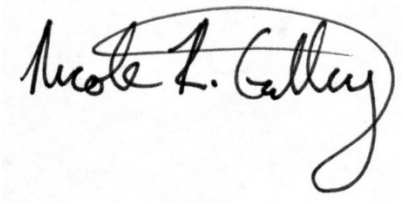
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Sturgeon.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	Emily Barraclough, CPA
	James M. Applegate, MBA
Audit Staff:	Ryan P. Tierney, MAcc, CPA
	Catherine Pence

1. Mt. Horeb Cemetery Fund

The city has not established adequate procedures to ensure restricted revenues are maintained in compliance with state law and city code.

1.1 Restricted revenues

The Board of Aldermen has not maintained restricted revenues of the Mt. Horeb Cemetery Fund in compliance with state law.

On May 27, 1969, the city passed City Ordinance 304, which established a perpetual care cemetery fund, under Chapter 214, RSMo, for the Mt. Horeb Cemetery. The statutory purpose of a perpetual care cemetery fund is to fund the preservation, care, upkeep, and adornment of a cemetery. State law authorizes fund revenue to include proceeds from the sale of cemetery lots, gifts, and donations. Fund revenues are to be invested and only the interest income is to be expended for the purpose of maintaining the cemetery. As of June 30, 2019, the balance of the Mt. Horeb Cemetery Fund consisted of monies held in the general bank account and certificates of deposit (CDs) held at a local bank.

Transfers

City officials transferred 2 CDs from the Mt. Horeb Cemetery Fund to the General Revenue Fund in violation of state law. In November 2018, a $58,105 CD of the Mt. Horeb Cemetery Fund matured and this amount was deposited into the general bank account and credited to the General Revenue Fund. City officials also transferred another CD with a $26,175 balance from the Mt. Horeb Cemetery Fund to the General Revenue Fund during fiscal year 2019. City officials indicated they transferred the CDs to the General Revenue Fund because they believed the CDs had been erroneously placed in the Mt. Horeb Cemetery Fund in prior years. However, city officials did not have any documentation to support this claim.

Fund balance

The transfer of the CDs from the Mt. Horeb Cemetery Fund has resulted in a significant decline in the fund's fiscal year ending balance. The following table lists the fund's ending balance for the fiscal year ended June 30, 2019, and the previous 5 fiscal years.

Fiscal Year Ended June 30,	Ending Fund Balance
2014	$ 187,389[1]
2015	187,165[1]
2016	181,763[1]
2017	169,758[2]
2018	177,706[2]
2019	95,051[3]

[1] Fund balances reported in the city's unaudited financial statements.

[2] Fund balances reported in the city's audited financial statements.

[3] Fund balance recorded in the city's accounting system as of June 30, 2019.

Disbursements

City officials have expended the principal of the Mt. Horeb Cemetery Fund in violation of state law. The Mt. Horeb Cemetery Fund's disbursements exceeded interest income during the year ended June 30, 2019, by approximately $10,400. During the years ended June 30, 2014, through 2018, disbursements exceeded interest income each year by approximately $7,500 to $19,800.

Section 214.020, RSMo, states the income from the perpetual care cemetery fund "shall be expended by such town, city or village for the preservation, care, upkeep and adornment of such cemetery, for the repurchasing of cemetery lots previously sold, and for no other purpose whatsoever. The principal of said perpetual care cemetery fund shall not be encroached upon for any purpose whatsoever and no money shall be transferred out of such perpetual care cemetery fund except for the purposes of being invested as provided for in this section and for the repurchasing of cemetery lots previously sold."

1.2 Commingled assets

The Board maintains the assets of the Mt. Horeb Cemetery Fund with other city assets in violation of city code. The city separately tracks the Mt. Horeb Cemetery Fund within the city's accounting system. However, the assets of the fund are commingled in the city's general bank account with assets from other city funds.

City Code Section 7.150, states that any "bequest, gift or donation which may be accepted by the City as aforesaid shall be held and kept separate and apart from all other funds of the City and there shall be no commingling of any such cemetery trust funds unless specific authority therefor be granted by the donor(s) thereof."

Recommendations

The Board of Aldermen:

1.1 Ensure the Mt. Horeb Cemetery Fund is reimbursed for monies inappropriately deposited and credited to the General Revenue Fund. In addition, the Board should ensure the principal of the Mt. Horeb Cemetery Fund is maintained and only interest income is disbursed in accordance with state law.

1.2 Ensure the assets of the Mt. Horeb Cemetery Fund are separately maintained from all other funds as required by city code.

Auditee's Response

1.1 Although the city disagrees that it did not have documentation to support the city's claim that some CDs had been erroneously placed in the Mt. Horeb Cemetery Fund in prior years, the city nevertheless accepts and will implement the recommendation of the State Auditor's Office, and will reimburse monies inappropriately deposited and credited to the General Revenue Fund back to the Mt. Horeb Cemetery Fund. Additionally, in the future, the Board will

ensure only the interest income earned on the principal will be disbursed for cemetery upkeep and maintenance.

1.2 The city will ensure that separate bank accounts for the Mt. Horeb Cemetery Fund and the Mt. Horeb Maintenance and Upkeep Fund are opened, and that these funds are separately maintained from all other funds to avoid commingling of assets. The city will implement a procedure to document into which fund's account donated monies are to be deposited and maintained.

Auditor's Comment

1.1 Audit staff received no documentation from city officials indicating CDs were erroneously placed in the Mt. Horeb Cemetery Fund instead of the General Revenue Fund.

2. Budget, Financial Reporting, and Accounting Records

The city's budget, financial reporting, and accounting records are in need of improvement.

2.1 Budget

The city budget prepared for the year ended June 30, 2019, did not contain all required elements. The budget document did not include a budget message, actual or budgeted amounts for the 2 preceding years, beginning and ending fund balances, or a budget summary.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting the tax levy, utility rates, and informing the public about city operations and current finances. Proper monitoring is necessary for the budget to be an effective management tool and to comply with state law.

2.2 Financial reporting

The financial statements submitted to the State Auditor's Office for the year ended June 30, 2019, and 6 prior years were not adequate. The data submitted consisted of beginning and ending bank account balances and receipts and disbursements for each fund. The information submitted did not include the beginning and ending fund balances and the city's property tax levy as required by state regulations.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office. Regulation 15 CSR 40-3.030 details the elements required, which include beginning and ending balance, summary of receipts and disbursements, statement of

indebtedness at the beginning and ending, and the property tax rate levied for each fund for the reporting period.

2.3 Accounting records

The city did not maintain accurate accounting records. The city implemented a new accounting system in April 2019. However, city officials did not ensure current year receipts and disbursements were accurately transferred into the new system. Therefore, fund balances in the new accounting system for the year ended June 30, 2019, were not accurate when compared to recorded current year activity and prior year ending balances. For example, the beginning fund balance of the Recreation Center Fund was $50,575. Receipts and disbursements recorded in the new accounting system during the year ended June 30, 2019, resulted in a decrease of $303 in the fund balance. The expected ending fund balance should have been $50,272. However, the new accounting system's ending fund balance totaled $52,018, resulting in a difference of $1,746.

Accurate accounting transactions and financial information are necessary for the Board to make informed decisions and to provide residents with reliable information about city finances. Inaccurately recorded financial information makes it more difficult to detect loss, theft, or misuse of funds.

Recommendations

The Board of Aldermen:

2.1 Prepare annual budgets that contain all information as required by state law.

2.2 Ensure financial data filed complies with state regulations and statutes.

2.3 Ensure accounting transactions are appropriately recorded.

Auditee's Response

2.1 The city will implement procedures to correct its budget, financial reporting, and accounting records formats to comply with standard practice and ensure that annual budgets contain all information as required by Section 67.010, RSMo, and any other provisions of state law.

2.2 The city will utilize the sample templates it received from the State Auditor's Office website to submit future financial data reports to ensure it complies with state regulations and statutes.

2.3 The city will research this finding with its accounting and financial software provider, and ensure that its accounting transactions are being correctly recorded.

3. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the year ended June 30, 2019, city receipts totaled $1,068,481 (excluding transfers).

3.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed. The City Clerk and Assistant City Clerk are responsible for receipting, recording, and depositing monies. In addition, the Assistant City Clerk is responsible for performing bank reconciliations. Reviews of the detailed accounting records and the bank reconciliations are not performed by other city personnel or Board members.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

3.2 Receipting, recording, and depositing

The city's procedures for receipting, recording, and depositing monies are poor. As a result, there is no assurance all monies collected are properly receipted, recorded, and deposited. City personnel do not:

- Issue receipt slips for some water and sewer monies received. The stubs from the water and sewer bills received are maintained, but they do not indicate the date, amount, and method of payments received.
- Issue receipt slips for recreation center monies received. City records indicate recreation center revenues totaled approximately $36,400 during the year ended June 30, 2019.
- Deposit security deposits received. The city obtains a security deposit when individuals rent city buildings for events. During our cash count on July 31, 2019, we noted $2,252 in security deposits on hand. The oldest check for $100 had been receipted in October 2017.
- Always issue receipt slips sequentially and do not always indicate the method of payment on the receipt slips. Therefore, the composition of receipts cannot be reconciled to the composition of deposits.
- Account for the numerical sequence of receipt slips issued.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected.

3.3 Bank reconciliations

City personnel did not prepare adequate bank reconciliations for the general bank account. In April and May 2019, the city closed the water and sewer,

recreation center, fairgrounds, fairs and festivals, and wetland improvement bank accounts. The balances of these accounts were transferred into the general bank account.

The bank reconciliation process for April 2019 through June 2019 only included documenting the transactions that had cleared the bank; however, reports of outstanding checks and deposits in transit were not prepared. City personnel prepared bank reconciliations properly prior to April 2019, but after the implementation of the new accounting system they did not. The June 2019 general account bank balance was $333,658.

Performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely.

Recommendations

The Board of Aldermen:

3.1 Segregate the accounting duties. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.

3.2 Ensure prenumbered receipt slips are issued sequentially for all monies received and ensure all receipts are deposited. The Board should also ensure the method of payment is indicated, the numerical sequence of receipt slips is accounted for, and the composition of receipts is reconciled to the composition of amounts recorded and deposited.

3.3 Ensure adequate monthly bank reconciliations are prepared, and lists of outstanding checks and deposits in transit are prepared. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

3.1 The city's current procedure of handling accounting duties will be segregated between the City Clerk and Assistant City Clerk. The city will implement the best practice of ensuring proper documentation of accounting transactions and that supervisory review occurs. This implemented procedure will also apply to bank records, ordering and receiving of office supplies, and proper verification of payroll calculations and paycheck issuance.

3.2 The city has implemented a procedure to ensure prenumbered receipt slips are issued sequentially for all monies received, and that each receipt records the amount received, date received, and method of payment. In addition, the city will deposit all receipts and ensure the composition of receipts is reconciled to the composition of amounts recorded and deposited.

3.3 The city has implemented a procedure where bank reconciliations will be performed by both the City Clerk and the Assistant City Clerk. Additionally, the city will ensure adequate bank reconciliations are prepared for the general bank account, and will prepare reports of all outstanding checks and deposits in transit. Any difference between accounting records and reconciliations will be promptly investigated and resolved. Finally, the Mayor will review bank reconciliations each month.

4. Sunshine Law

Weaknesses exist in the documentation of minutes for Board meetings. The city has 6 different boards and committees.

- The Recreation Center Board meeting minutes did not indicate results of votes taken to approve purchases.
- The Fairgrounds Board meeting minutes did not indicate the time and place of meetings and the Board members absent. In addition, the minutes were not signed to indicate Board approval.
- The Park and Trees Board meeting minutes did not indicate the Board members absent. In addition, the minutes were not signed to indicate Board approval.

Section 610.020.7, RSMo, states minutes of open and closed meetings shall be taken and retained by the public governmental body, including, but not limited to, a record of any votes taken at such meetings. The minutes shall include the date, time, place, members present, members absent, and a record of any votes taken. In addition to the statutory requirements, the meeting minutes should be signed by the preparer and subsequently approved by the Boards to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

Recommendation

The Board of Aldermen work with the Boards to ensure meeting minutes include all information required by law and are signed by the preparer and approved by the Boards.

Auditee's Response

The Mayor, City Clerk, and Board will conduct a special training session with each advisory Board. Attendance at this training session will be mandatory and copies of the Missouri Sunshine Law booklet will be distributed. This process should educate members on the proper steps of conducting and documenting an advisory Board meeting. The city will establish a plan for follow-up trainings every six months to ensure continuing compliance.

City of Sturgeon
Organization and Statistical Information

The City of Sturgeon is located in Boone County. The city was incorporated in 1856 and is currently a fourth-class city. The city employed 5 full-time employees and 5 part-time employees on June 30, 2019.

City operations include utilities (water, sewer, and trash), police, maintenance of streets, recreational facilities (park, recreation center, youth center, and fairgrounds), and 2 cemeteries.

Mayor and Board of Aldermen

The city government consists of a mayor and a 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2019, are identified below. The Mayor is paid $100 per month and Board of Aldermen members are paid $75 per month.

Steve Crosswhite, Mayor
Zane Arends, Alderman
Stan Robinson, Alderman
Ron Sage, Alderman
Janice Butler, Alderwoman

Financial Activity

A summary of the city's financial activity, prepared using the city's bank statements, for the year ended June 30, 2019, follows:

City of Sturgeon
Schedule of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2019

	General	Water/Sewer	Recreation Center	Fairgrounds	Fairs and Festivals	Wetland Improvement	Total
RECEIPTS							
Receipts[1]	$ 615,779	399,002	18,341.00	23,576	523	11,260	1,068,481
Transfers in[2]	320,088	0	0	0	0	0	320,088
Total Receipts	935,867	399,002	18,341	23,576	523	11,260	1,388,569
DISBURSEMENTS							
Disbursements[1]	684,800	333,615	17,455	12,433	6,508	0	1,054,811
Transfers out[2]	0	200,024	52,306	26,577	9,091	32,090	320,088
Total Disbursements	684,800	533,639	69,761	39,010	15,599	32,090	1,374,899
RECEIPTS OVER (UNDER) DISBURSEMENTS	251,067	(134,637)	(51,420)	(15,434)	(15,076)	(20,830)	13,670
CASH AND INVESTMENTS, JULY 1, 2018[3]	406,005	134,637	51,420	15,434	15,076	20,830	643,402
CASH AND INVESTMENTS, JUNE 30, 2019[3]	$ 657,072	0	0	0	0	0	657,072

[1] Receipts and disbursements present all transfers in and out except transfers made to close bank accounts.

[2] Transfers in and out present transfers made to close bank accounts and transfer balances into the General bank account.

[3] Balances includes certificates of deposit.

Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Village of Ferrelview

Report No. 2019-122

December 2019

auditor.mo.gov

Village of Ferrelview
Follow-Up Report on Audit Findings
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*Includes selected findings

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Ferrelview, Missouri

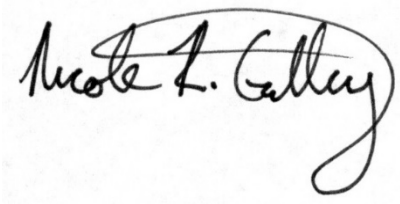
We have conducted follow-up work on certain audit report findings contained in Report No. 2019-019, *Village of Ferrelview* (rated as Poor), issued in March 2019, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the village about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by village officials and held discussions with village officials to verify the status of implementation for the recommendations. Documentation provided by the village included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during October 2019.



Nicole R. Galloway, CPA
State Auditor

Village of Ferrelview
Follow-Up Report on Audit Findings
Status of Findings

1. Financial Condition

The village's General Fund was in poor financial condition and the Board of Trustees was not adequately monitoring the financial condition of the village. The reconciled cash balance of the General Fund at December 31, 2017, was $19,053, and a receivable, totaling $6,550, from the Water and Sewer Fund was listed as an asset for the General Fund in the 2018 budget. The balance of the General Fund was achieved through significant transfers from the Water and Sewer and Street Funds. Without those transferred funds, the General Fund balance at December 31, 2017, would likely have been negative. In addition, the General Fund balance was not sufficient to allow the village to pay calculated excess revenues collected from traffic tickets during 2016 and 2017, totaling $20,300 and $1,551, to the Department of Revenue, according to addendums filed with the State Auditor's Office (SAO).

Recommendation

The Board of Trustees closely monitor the village's financial condition. The Board should reduce spending where possible, establish a plan to pay interfund obligations and excess revenues to the state, and evaluate controls and management practices to ensure efficient use of resources.

Status

Partially Implemented

The reconciled balance of the General Fund is $19,039 as of August 31, 2019. The Board is now monitoring the financial condition of the village more closely. Cash balances for each bank account, disbursements from each fund since the previous meeting, and bills currently due are presented for the Board's approval at its monthly meetings. The Board no longer compensates Trustees and has chosen to leave the position of Village Treasurer vacant. The Village Clerk now performs the duties of both offices to reduce payroll costs. The village disbursed $1,551 to the Missouri Department of Revenue in November 2018 for excess revenues collected in 2017, but no payments have been made regarding amounts due by the village for 2016 excess revenues. The Board has not taken action regarding the interfund obligation and gave no indication of plans to address this issue. In addition, as of October 31, 2019, the district has not set up a payment plan with the SAO or made any payments toward the May 2019 audit billing.

2.2 Utilities - Shut off procedures

The village was not following its service shut off ordinance and had not developed adequate procedures to monitor and collect delinquent water accounts. Numerous customers who had not made payments within 15 days of the due date did not have service disconnected as required by ordinance, and there were no records showing any service shut off for the period of our review. In addition, a former Trustee, who served as the Water Commissioner, used his position to halt the shut off of his water service for non-payment.

Recommendation

The Board of Trustees ensure utility accounts are shut off in accordance with village ordinance and no one is given preferential treatment.

Status	**Implemented** Per the Village Clerk, utility customers are given until the close of business on the 25th of each month to pay their balance. She monitors accounts throughout the month and if a payment is not received, a door hanger is placed at the residence on the 26th informing the customer they have 24 hours to make payment to avoid service disconnection. If payment is not made by the next day, the Water Commissioner is notified and the water operator is instructed to discontinue service. We reviewed a transaction dated October 1, 2019, for a customer account reconnection fee of $75, which indicates shutoff of service is now happening. The Village Clerk indicated since the city began enforcing the ordinance fewer unpaid bills are occurring. In addition, the Village Clerk indicated the village will also enforce the shut off policy for village staff or trustees.
2.3 Utilities - Partial payments	The village did not have a written policy regarding partial payments by customers who have delinquent accounts, and customers were allowed to make partial payments without entering into a written payment agreement and without Board approval.
Recommendation	The Board of Trustees establish a written policy regarding partial payments and ensure signed written payment agreements are prepared and approved by the Board.
Status	**Implemented** Per the Village Clerk, partial payments for customers with delinquent balances are no longer allowed. The village will accept a partial payment on a utility account that is not delinquent, but the total amount due must still be paid by the due date to avoid interest charges and shut off. Partial payments of customer deposits are allowed, at the Village Clerk's discretion, by Ordinance 335, as long as an initial payment of $150 has been made.
2.4 Utilities - Accounts receivable	The village did not have accurate records of outstanding utility accounts nor adequate procedures to pursue collection of accounts receivable. In addition to not following established shut off procedures, village personnel made limited or no efforts to collect past due amounts. The village also did not pursue collection of outstanding amounts due from renters with landlords, as allowed by state law. Village personnel indicated a settlement agreement entered into in July 2003 with the owner of a mobile home park stated the village would not pursue collection of renters delinquent balances with management of the park.
Recommendation	The Board of Trustees ensure adequate records are maintained to determine unpaid utility bills and pursue collection of outstanding balances. In addition, consult with the village's attorney regarding the ability to pursue collections

from owners of rental property for unpaid utility bills and develop adequate procedures to pursue amounts due.

Status

Implemented

A Utility Disconnect Report that shows the amount customers are delinquent (if any) is generated monthly. The October report showed one delinquent customer account that the Village Clerk stated had already had water service disconnected. The village entered into a contract with a collection agency in August 2019 for collection services on delinquent utility accounts. Subsequent to the release of our audit report in March 2019, the Village Clerk located Ordinance 2005-02, which was adopted in 2005 and allows a tenant and property owner to be held jointly liable to pay for utility services rendered. The Village Clerk indicated village officials plan to enforce this ordinance in the future.

2.5 Utilities - Accounts receivable reconciliations

The village did not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for any utility services.

Recommendation

The Board of Trustees ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed.

Status

Not Implemented

The Village Clerk indicated monthly reconciliations are not performed.

2.6 Utilities - Non-monetary adjustments

The Village Clerk, who was responsible for receipting and posting utility payments to the system, made 431 non-monetary adjustments, totaling $207,885, during 2017 to reduce customer account balances. These posted adjustments were not reviewed and approved by an independent person and documentation of reasons for the adjustments was not always retained. In addition, a comparison of approved adjustments to adjustments actually made to the system was not performed by an independent person.

Recommendation

The Board of Trustees ensure all non-monetary adjustments are properly approved and compared to actual changes posted to the computer system, and documentation of reasons for all non-monetary adjustments is retained.

Status

Partially Implemented

Non-monetary adjustments to utility accounts are now approved by the Water Commissioner and Board of Trustees in advance and reasons for the changes are documented in the Board meeting minutes. The August 3, 2019, minutes documented approval for a customer receiving a utility credit of $351 with an explanation listed for the adjustment. In addition, the Water Commissioner

also documented her review and approval by signing off on the utility adjustment edit register. The village has not adopted a procedure to compare approved adjustments to changes posted to the computer system but the Village Clerk indicated she would discuss the issue with the Board and attempt to get one of the Trustees to perform this review in the future.

2.7 Utilities - Utility deposits

Refundable utility deposits held in the Water and Sewer Fund, along with water receipts, were not accounted for properly. The village's list of refundable utility deposits totaled $31,956 as of February 28, 2018; however, the bank balance of the Water and Sewer Fund account was only $31,654. Village officials had not determined the cause of the shortage.

Recommendation

The Board of Trustees ensure utility deposits held in the Water and Sewer Fund are accounted for properly and reconcile the utility deposit listing monthly to the amount held in the Water and Sewer Fund bank account. Any discrepancies should be investigated and resolved.

Status

Implemented

The Village Clerk uses a spreadsheet to track refundable utility deposits and she verified each active customer had a deposit on hand. She also updated the utility deposit report, which tracks the balance of water deposits in the Water and Sewer Fund. She recently reconciled the deposit listing to the utility deposit report, which totaled $33,008 as of November 12, 2019, and indicates she will do this monthly in the future.

3.2 Budgets, Financial Planning, and Reporting - Long range plans

The village had not developed formal written long-range plans for streets or utilities.

Streets

The village had not developed a formal annual maintenance plan for village streets. Village streets were in very poor condition and a relatively small amount of money had been spent to repair/replace village streets since 2015. As of December 31, 2017, the Street Fund balance was $55,923. This balance includes approximately $48,000 requested from Platte County in October 2015 as a distribution of the village's share of the countywide transportation sales tax passed by county voters in 2013. In addition, personnel at the Platte County Treasurer's office indicated the village had approximately $68,000 available for distribution as of June 30, 2018.

Utilities

The village has an aging infrastructure for its water and sewer system and a multi-year capital improvement plan had not been documented. Because bonds issued in 1991 to build the system had been repaid, no reserve funds or repair and replacement funds were required, and as of December 31, 2017, no funds had been set aside for the system's long-term repairs or maintenance.

Recommendation

The Board of Trustees develop a formal street maintenance plan which will utilize available resources in a manner consistent with existing restrictions on the funds and prepare a formal capital improvement plan for the water and sewer system and a means to fund it.

Status

Partially Implemented

A formal street maintenance plan has not been developed. The Village Clerk has prepared a spreadsheet that lists all village streets and has a column to indicate inspection dates and notes about maintenance work recently done to each street (if any). Another column allows a priority (number 1 through 3) to be assigned regarding necessary maintenance for each street, but no priority levels have been assigned. No estimates of future available resources to pay for street maintenance or when the work might be performed is included on the spreadsheet.

In April 2019, the village passed Ordinance 335 that authorizes the addition of a $5 monthly charge to customer utility bills for a Replacement and Emergency Fund. According to the ordinance this fund is to be used for maintenance and repairs of the water system only. The Village Clerk did not know why the sewer system was not included in the ordinance. She stated she will bring this issue to the attention of the Board during the November 2019 meeting. As of September 30, 2019, the balance of the Replacement and Emergency Fund was $3,517. A formal capital improvement plan for the utility systems has not yet been developed.

3.3 Budgets, Financial Planning, and Reporting - Financial reporting

The financial statement submitted to the State Auditor's Office for the year ended December 31, 2017, was filed timely but was not adequate. In addition, a financial statement for the year ended December 31, 2016, was submitted timely, but had to be resubmitted several times after being updated due to errors identified by the Village Treasurer in the financial records of the village. A final revision was submitted in February 2018.

Recommendation

The Board of Trustees ensure financial data submitted complies with state regulations and statutes.

Status

Not Implemented

The village submitted its 2018 financial statement to the State Auditor's Office. However, it was not submitted by the required deadline and reported financial activity of the General Fund only.

4.1 Accounting Controls and Procedures - Segregation of duties

The Village Clerk receipted and deposited payments received and posted transactions to the utility system, including adjustments to customer account balances. The Village Treasurer posted transactions to the accounting system and received and deposited non-utility payments as well as prepared bank

reconciliations and wrote checks for all bank accounts. No one reviewed the work performed by either of these employees.

Recommendation

The Board of Trustees segregate the accounting duties of the village office personnel. If proper segregation cannot be achieved, ensure a documented independent or supervisory review of detailed accounting and bank records is performed.

Status

Not Implemented

The Board has chosen to leave the position of Village Treasurer vacant and all accounting functions are now performed by the Village Clerk. While there is some evidence that particular functions or actions taken by the Village Clerk are reviewed by a Board member, such as non-monetary adjustments discussed in the status for MAR finding number 2.6, a documented review of amounts received to amounts deposited or bank records is still not performed.

4.2 Accounting Controls and Procedures - Receipting

Receipts slips were not issued for most payments received by the village. The Village Clerk issued a manual receipt for utility payments when payment was in cash or if a receipt was requested. The utility software system assigned a sequential number for each transaction posted to the system, but those transactions included non-monetary adjustments where no payment was received. Personnel did not account for manual receipts issued by the Village Clerk or have procedures to determine that all manual receipts slips issued have been accounted for and posted to the system. The Village Treasurer did not issue receipt slips for non-utility payments received.

Recommendation

The Board of Trustees ensure receipt slips are issued for all monies received and account for the numerical sequence of all receipt slips issued.

Status

Partially Implemented

The village updated its utility computer system to generate receipt slips for utility payments, but has not established a procedure to account for the numerical sequence of receipts slips issued. The village continues to issue some manual receipt slips for both utility receipts and non-utility receipts, but has still not adopted procedures to ensure manual receipt slips issued for utility payments have been accounted for and posted to the utility system. For non-utility payments where a manual receipts slip is issued, the village copy of the receipt slip is attached to the deposit slip, but a log of the receipt slips issued is not maintained, which would allow the numerical sequence to be accounted for properly. Receipt slips are not issued for non-utility payments received through the mail or direct deposited to a village account.

5. Payroll Controls and Procedures

Significant improvement over payroll controls and procedures was needed.

5.1 Payroll procedures

Payroll records were not reviewed by the Board or someone independent of the payroll function. We identified errors with time and leave records, and documentation to support payroll transactions was not always adequate. Timecards were not always prepared or maintained for all police department personnel and prepared timecards were not signed by a supervisor to document approval of time worked.

Recommendation

The Board of Trustees adequately segregate payroll duties or, at a minimum, ensure a documented periodic review of these functions is performed by someone independent of the payroll functions. In addition, the Board should ensure timesheets are prepared, properly signed, approved and retained for all employees, and the information is reviewed for accuracy prior to entry into the accounting system.

Status

Partially Implemented

Timesheets are required for all employees and are now retained, but are still not signed by employees. The Village Clerk indicated timesheets and a payroll summary report are reviewed by a Board member when signing paychecks, but that review is not documented.

5.2 Personnel ordinances and policies.

The village did not have ordinances to address some significant issues and did not always comply with established ordinances. The village also had not adopted a personnel manual or other needed policies.

- During portions of 2016 and 2017, the Police Chief was paid a weekly salary, but the number of hours required to be worked each week was not established by ordinance or policy. In July 2017, the Board voted to pay the Police Chief a $300 per week salary for 20 hours of work. An ordinance was not adopted establishing the compensation for the Police Chief and no formal policies were adopted to establish the position's normal hours.

- Compensation for the Village Clerk and Village Treasurer was not established by ordinance.

Recommendation

The Board of Trustees adopt necessary personnel ordinances and/or policies, and ensure compliance with those ordinances and policies.

Status

In Progress

At its October 5, 2019, meeting the Board approved the Employee Handbook and plans to update compensation ordinances for clarity and consistency with

the handbook in April 2020 when any new Board members are sworn in and village officials are reappointed. A policy establishing the limitation on hours per week for the Police Chief has not been established, but the Board Chairman indicated the Police Chief agreed to limit his hours to 25 hours per week unless authorized in advance by the Board Chairman.

5.3 Police department payroll costs

Total payroll costs for the village increased significantly from 2014 to 2017. During the 2 years ending December 31, 2017, approximately $214,000 was spent on payroll, with more than $95,000 (45 percent) being for police officer salaries.

The Board had not performed an analysis to determine the level of police protection needed or if its police department payroll costs were comparable to other similar cities. Payroll for the police department increased significantly from 2014 to 2016, and then began to decrease in 2017 and 2018 after the police department was disbanded and all officers but the Police Chief terminated.

Recommendation

The Board of Trustees evaluate the level of personnel services, including police protection, provided by the village and determine if any changes are warranted.

Status

Implemented

The village has chosen to leave the position of Village Treasurer vacant and the Village Clerk now performs the duties of both offices. The former Police Chief was reinstated by the Board during 2018 and is currently the only officer employed. While not formally documented, the Police Chief is limited to 25 hours per week unless approved by the Board Chairman. These personnel decisions have reduced payroll costs during 2019. The need for additional law enforcement personnel has been discussed by the Board, but action will not be taken until village finances allow expansion of the department. The Board Chairman indicated the village plans to add some volunteer reserve officers in the next few months.

6.1 Disbursements - Approval process

The Village Treasurer indicated a copy of the check register showing all checks written since the last meeting is presented to the Board at each Board meeting, but these registers had not been part of the official minutes. Since the registers report spending for the time period prior to the meeting, the Board was not approving payments before they occurred and the minutes of Board meetings during 2017 did not mention bills approved for payment. In addition, we saw no evidence any Board members reviewed invoices or other supporting documentation prior to payments occurring or that the Chairperson or other check signers reviewed invoices prior to signing checks.

Recommendation	The Board of Trustees ensure complete lists of disbursements are prepared and compared to invoices and other supporting documentation, check signers review invoices, and these reviews are documented.
Status	**In Progress** While the Village Clerk prepares a listing of disbursements made since the last Board meeting to the Trustees at each meeting, this listing does not include the check number associated with each payment. Such a listing would allow the Board to ensure the list is complete, and the Village Clerk stated she will begin adding check numbers to the listing in December 2019. Check signors are now presented invoices to review when signing checks, but their review has not been documented. The Board Chairman, who is one of the check signers, indicated he has now begun documenting his review of the invoices and will ensure other check signers do also.

6.2 Disbursements - Allocation of funds	The Board had no documentation of any discussions held or the basis for determining the amounts paid from the Water and Sewer Fund and Street Fund to the General Fund. Documentation was not maintained to support the amounts paid and the village had not developed a method to allocate administrative costs to any funds, so these payments appeared, at least partially, to be subsidies to the General Fund.
Recommendation	The Board of Trustees ensure payroll costs and other disbursements are properly allocated to the applicable village funds and allocations are supported by adequate documentation.
Status	**In Progress** The Village Clerk indicated she tracked how her time was spent for a one week period in 2018 and used this time study to allocate her payroll expenses; however, the time study was not maintained. Quarterly, the Village Clerk makes a transfer from the Water and Sewer Fund to the General Fund to reimburse the General Fund for that fund's portion of her payroll expenses. Currently, no transfers are made from the Street Fund, but the Village Clerk indicated she plans to track her time again for a longer period of time to determine if any changes need to be made to the quarterly allocation, and indicated she will retain the support for the allocation. For disbursements other than payroll, she determines which fund should pay the invoice when it is received and allocations of these disbursements to more than one fund has not been considered necessary.

7. Capital Assets	Improvement was needed over capital asset records and for dispositions of capital assets.
7.1 Capital asset records	The village did not maintain records of its capital assets including buildings, land, vehicles, equipment, and other property. The village also did not tag,

number, or otherwise identify assets for specific identification or perform physical inventories.

Recommendation

The Board of Trustees ensure village personnel properly tag, number, or otherwise identify all applicable village property and conduct and document an annual inventory.

Status

Not Implemented

The Village Clerk created an asset log in October 2019 to track assets; however, no village property has been posted to the log. The Village Clerk indicated she plans to complete the log by year end and will ensure a physical inventory is performed by a Board member annually. Asset tags have not been purchased and attached to village assets.

7.2 Disposition of police vehicle

We identified concerns regarding the process followed for the sale of 2 police vehicles. The Board selected the winning bidders at its January 9, 2018, meeting with the results documented in the minutes. However, the sales did not occur to those bidders as approved. One of the vehicles was eventually sold to a Trustee for $550, although he was not the high bidder for the vehicle awarded to him and it is unclear who approved the sale. Minimum bid amounts were established for each vehicle in the advertisement, but the amount paid by the Trustee for the vehicle purchased was less than the minimum amount advertised. We saw no evidence the Board authorized a reduction in price. In addition, the advertisement did not specify the color of each vehicle and when bids were received, several referred to the vehicles by year and by color, but the year indicated did not match the year of the vehicle. The city initially received bids for the vehicle not purchased, but those bids were withdrawn or the bidder declined to make the purchase.

The March 13, 2018, Board minutes indicated there were concerns with the process followed regarding the vehicle purchased by the Trustee. A motion was made, and the Board voted unanimously, to contact the high bidder and determine if he was still interested in purchasing the vehicle. If he was not, the Board voted to rerun the advertisement. The Trustee and his wife, the Board Chairperson at the time, both voted on this matter. The Trustee retained possession of the vehicle he purchased, while the city did not sell the other vehicle.

Due to the conflicts between years and colors of vehicles bid on, the lack of clear documentation on decisions made by the Board and how those directions were carried out, and the vehicle being sold to a Board member for much less than the minimum bid amount established in the advertisement, this transaction gives the appearance of a conflict of interest and violates the Missouri Constitution.

Recommendation	The Board of Trustees establish policies and procedures for the sale of village assets and ensure future sales are clearly documented, bid specifications for payment are met, and avoid the appearance of a conflict of interest. In addition, the Board should take action to retrieve the vehicle sold.
Status	**Partially Implemented** The village has not established policies or procedures for the sale of village assets. The village has not sold any village assets since our audit report was released and still has the vehicle that was not sold. The Board determined taking action to retrieve the vehicle in the possession of the former Trustee would likely exceed the value of the vehicle.

8.1 Ordinances and Sunshine Law - Ordinances	Village ordinances were not organized, complete, or up to date. Village ordinances were not codified or maintained in a well-organized manner. Also, the ordinances pertaining to employees' job responsibilities, work hours, compensation, and other applicable items had not been updated since December 1953.
Recommendation	The Board of Trustees ensure ordinances are maintained in a complete and well-organized manner and an index of all ordinances passed and rescinded is established. The Board should also establish and or update, by ordinance, village employees' compensation and fees for village services.
Status	**In Progress** The Village Clerk stated there are multiple ordinance books and she located an index of the contents of each book. She has scanned the various ordinances into her computer and has begun identifying which ordinances are still in effect and which have been repealed, but has not prepared an updated index. At its October 5, 2019, meeting the Board approved the Employee Handbook and plans to update compensation ordinances for clarity and consistency with the handbook in April 2020 when any new Board members are sworn in and village officials are reappointed. Ordinances related to fees for village services have not been adopted.

8.3 Ordinances and Sunshine Law - Closed sessions	The village did not comply with state law regarding closed sessions.
Reasons for closing meetings	Open meeting minutes did not always document the specific reasons or section of law allowing the meetings to be closed. Most meeting notices and agendas included a statement that a closed session would be held, in the event the Board wanted to enter closed session, and the statement generally included the same list of potential discussion matters.

Allowable topics	Some topics discussed and voted on in closed meetings were not allowable under the Sunshine Law.
Insufficiently detailed meeting minutes	Minutes for some closed session meetings did not include sufficient details of the topics discussed. We noted instances where the topic of the meeting could not be determined and the minutes simply indicated no votes were taken.
Recommendation	The Board of Trustees ensure specific reasons for closing a meeting are documented in the open minutes, and ensure only topics allowed by state law are discussed in closed meetings. In addition, the Board should ensure closed meeting minutes include sufficient detail necessary to provide a complete record of matters discussed and actions taken.
Status	**Implemented** Minutes of both open and closed sessions are now significantly more detailed regarding the topics discussed and decisions made, and the Chairman indicated the Board is more diligent in its efforts to ensure only allowable topics are discussed in closed session. The August 22, 2019, Board meeting included a closed session and the open minutes properly indicated the specific reason for closing the meeting. The closed minutes included sufficient detail of the matter discussed and actions taken to show the discussion was limited to the reason for closing the meeting.

8.4 Ordinances and Sunshine Law - Meeting minutes	Minutes for monthly Board meetings were neither signed by the Village Clerk as the preparer, nor the Board Chairperson or another Board member to indicate Board approval.
Recommendation	The Board of Trustees maintain complete and accurate minutes for all meetings and ensure meeting minutes are signed by the preparer as well as the Board Chairperson or another Board member following Board approval.
Status	**Implemented** We reviewed minutes for meetings held by the Board in August and September 2019 and they looked complete and accurate and were signed by both the Village Clerk as preparer and the Board Chairperson to indicate Board approval.

Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Madison County Collector and
Property Tax System

Report No. 2019-121

December 2019

auditor.mo.gov

Madison County Collector and Property Tax System
Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
County Collector
Madison County, Missouri

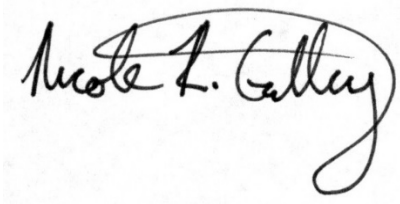
We have conducted follow-up work on certain audit report findings contained in Report No. 2019-050, *Madison County Collector and Property Tax System* (rated as Poor), issued in July 2019, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the county about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by county officials and held discussions with county officials to verify the status of implementation for the recommendations. Documentation provided by the county included financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during October 2019.



Nicole R. Galloway, CPA
State Auditor

Madison County Collector and Property Tax System
Follow-Up Report on Audit Findings
Status of Findings

1. Missing Monies and Other Questionable Deleted Transactions

Between January 1, 2017, and October 31, 2018, monies totaling at least $13,263 were receipted and the transactions were subsequently deleted from the property tax system. The monies were not deposited and are missing. Additional transactions totaling at least $2,056 were receipted and subsequently deleted from the property tax system during the period and are questionable.

Recommendation

The County Commission and the County Collector work with law enforcement officials regarding criminal prosecution related to the missing monies and take the necessary actions to obtain restitution.

Status

Implemented

The County Collector indicated she and the County Commission continue to work with law enforcement regarding the prosecution of the former Deputy Collector. In August 2019, the former Deputy Collector was charged with 5 counts of stealing and the case is ongoing as of November 2019. The County Collector indicated the county filed a claim with its surety bonding company and resolution of the claim is pending the outcome of the criminal case.

2.1 County Collector's Controls and Procedures - Segregation of duties

The County Collector had not adequately segregated accounting duties and did not perform a supervisory review of detailed accounting and bank records. All employees received and recorded payments received in the property tax system and the partial payment manual receipt slip book and prepared daily deposits. The County Collector did not perform a documented review of accounting and bank records.

Recommendation

The County Collector segregate accounting duties to the extent possible or ensure independent or supervisory reviews of detailed accounting and bank records are performed and documented.

Status

In Progress

The County Collector indicated she plans to implement an independent review process between herself and the newly hired Deputy Collector once the Deputy Collector is trained on the functions of the office. The County Collector plans for herself and the Deputy Collector to review each other's daily transactions including reviewing daily batch reports and comparing the reports to deposit slips, accounting for the numerical sequence of transactions, and reviewing adjustments. The County Collector also plans to have the Deputy Collector review the monthly bank reconciliations the County Collector prepares and the partial payment account activity. The County Collector expects this process will be implemented within 1 to 2 months. In addition, the County Commission has been reviewing selected daily batch reports and supporting documentation. Our review of July 2019 transactions

noted a documented review by the County Commission of 6 daily batch reports and the supporting documentation.

2.2 County Collector's Controls and Procedures - Deletions and adjustments

The County Collector did not review and approve deleted transactions in the property tax system or periodically obtain a report of deleted transactions from the property tax system vendor to review.

Recommendation

The County Collector require an independent and/or supervisory review and approval of all deleted transactions and adjustments made in the property tax system.

Status

Implemented

The County Collector indicated office personnel no longer have the ability to delete transactions and all corrections are done through the adjustment function in the property tax system. We observed the County Collector attempt to delete a transaction and noted the system would not allow this to occur.

When a correction is needed, office personnel initiate an adjustment in the property tax system and the system requires comments explaining the need for each adjustment. A system report of adjustments is generated that summarizes the comments, dollar amount, and user (employee) who processed the adjustment. The County Collector indicated this documentation is filed with the daily batch reports and we observed the reports for July and September 2019. We also reviewed the supporting documentation for the 6 July 2019 adjustments and noted all were properly documented, including notations of the reason for the adjustment. In addition, the County Commission's review of selected daily batch reports includes a review of related adjustment activity.

2.3 County Collector's Controls and Procedures - Numerical sequence of receipt slips

The County Collector did not account for the numerical sequence of receipt slip numbers assigned by the property tax system or manual receipt slips issued for partial payments.

Recommendation

The County Collector implement procedures to account for the numerical sequence of receipt slip numbers.

Status

Implemented

The County Collector indicated she currently accounts for the numerical sequence of receipt slip numbers but plans for this procedure to be part of the review process discussed in the status of MAR finding number 2.1. During our review of July and October 2019 records, we were able to account for the numerical sequence of receipt slip numbers. The County Collector also indicated she accounts for the daily batch report number sequence. We reviewed the batch report sequence for July 2019 and were able to account for the numerical sequence.

3.1 Electronic Data Security - User identification and passwords

Employees in the County Collector's office shared user identifications and passwords for the property tax system. Employees shared computers in the office and did not log off and log back on with their unique user identification and password when using the property tax system at one of the shared computers. As a result, there was no assurance that the user listed in the system for posting or deleting a transaction was the person who did it. Also, employees were not required to change passwords periodically and passwords were not required to have a minimum number of characters.

Recommendation

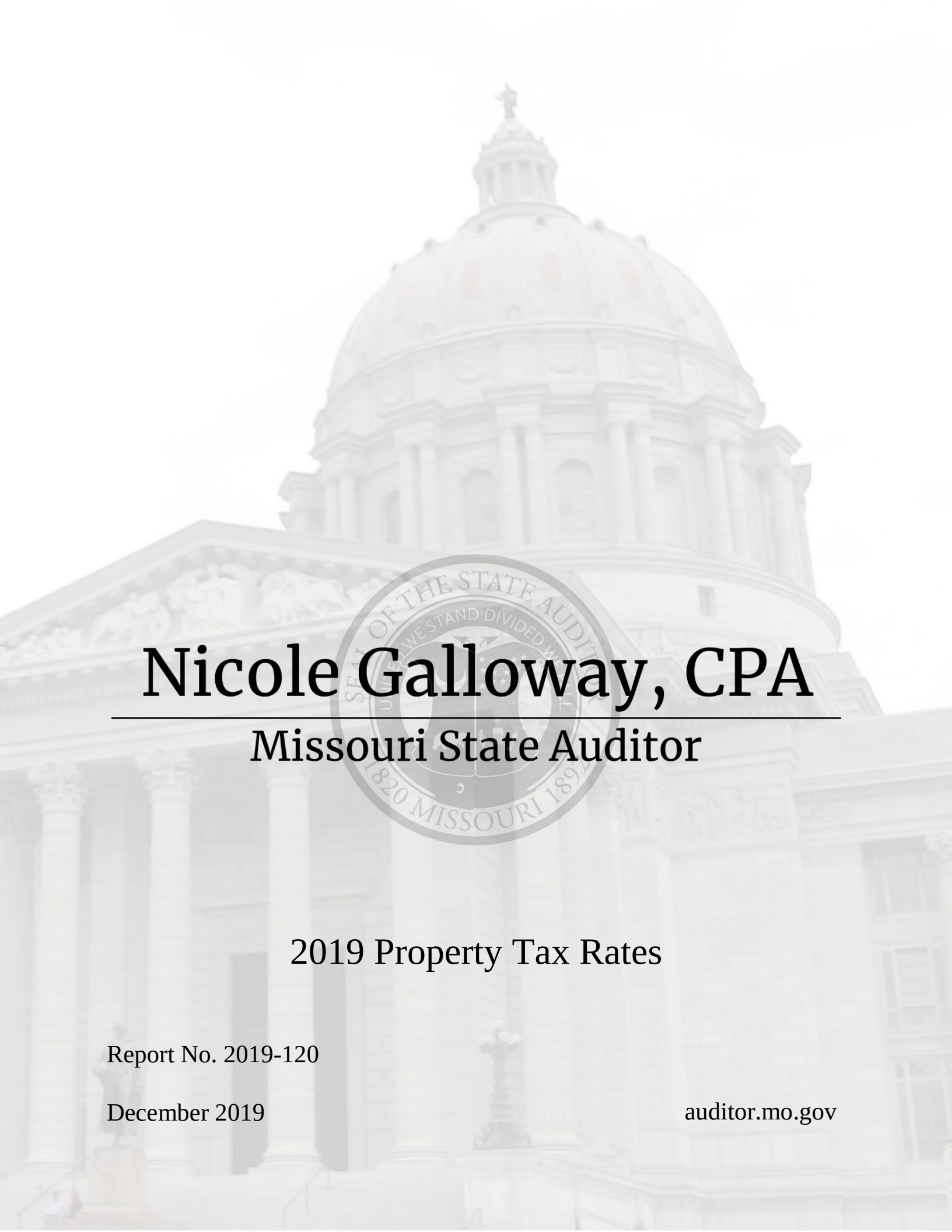
The County Collector require unique user identifications and passwords for each employee and require passwords contain a minimum number of characters and be changed periodically.

Status

Partially Implemented

The County Collector indicated all employees now have unique user identifications and passwords. However, the County Collector indicated the newly hired Deputy Clerk is using the user identification and password of a former employee because the operating system contractor had not set up the Deputy Collector's user identification. During our review, we noted no other employees using shared user identifications or passwords.

The County Collector indicated the office works with two system contractors to change passwords periodically. The County Collector indicated the office systems do not require passwords to be changed so the contractors assist employees with password changes every 3 months for one system and 6 months for the other system. The County Collector indicated passwords for the property tax system do not require a minimum number of characters and the operating system contractor establishes the passwords for that system.



Nicole Galloway, CPA

Missouri State Auditor

2019 Property Tax Rates

Report No. 2019-120

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of 2019 Property Tax Rates

Background

Property taxes largely fund public schools and are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the supporting data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

Rate Calculations

Rate ceilings set the limit for the amount of taxes that can be levied. Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis. The 2019 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Missouri Constitution, Article X, Section 22, commonly referred to as the Hancock Amendment, which limits taxation by the state and local governments.

Results

In 2019, the State Auditor received supporting data and reviewed 4,839 property tax rates for 2,804 taxing authorities. Of the rates reviewed, 503 are debt service tax rates, 127 are new property tax rates approved by voters, and 53 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,156 tax rates for revenue neutrality. This is the fifth year since the review of property tax rates started in 1985 that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Additional Comments

The State Auditor's Office has no authority to determine or review individual tax assessments. All individual tax assessment matters are the responsibility of the county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

Because of the nature of this review, no overall rating is provided.

The complete 2019 Property Tax Rates Report is available on our Web site: auditor.mo.gov.

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's Office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

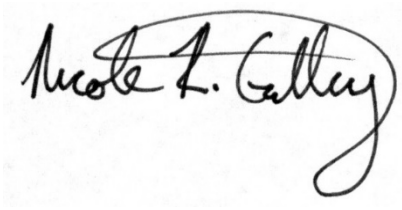
1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.

2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2019, we received supporting data on 4,839 property tax rates of 2,804 taxing authorities. This is the fifth year since the State Auditor's Office started reviewing property tax rates that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices can be eroded.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Kelly Davis, M.Acct., CPA, CFE
Senior Analyst: Jill Wilson, MBA

2019 Property Tax Rates
Results

Summary

The State Auditor received supporting data and reviewed 4,839 property tax rates for 2,804 taxing authorities. Of the rates reviewed, 503 are debt service tax rates, 127 are new property tax rates approved by voters, and 53 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,156 tax rates for revenue neutrality. This is the fifth year since the review of property tax rates started in 1985 that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Methodology

The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the supporting data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

The 2019 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Missouri Constitution, Article X, Section 22 (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rate ceilings must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate as determined by the consumer price index, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. Counties and the City of St. Louis use the tax rates set by each taxing authority to levy taxes on all property including new construction and improvements.

Voters may authorize increases beyond the annual revenue neutral tax rate ceiling. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. In addition to reviewing new and existing property tax levies for revenue neutrality, the State Auditor's Office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is compliant if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.

Sections 137.073.5(3) and 137.073.5(4), RSMo, provide that a voluntary reduction taken in a non-reassessment year (even numbered year) results in a reduced tax rate ceiling during the following reassessment year (odd numbered year). These provisions also allow taxing authorities that voluntarily reduce a tax rate in a previous even numbered year to reverse the impact of the voluntary reduction to reinstate a higher tax rate ceiling in the following even numbered year. To increase the tax rate in the following even numbered year, the taxing authority must conduct a public hearing, and adopt an ordinance, a resolution, or a policy statement justifying its action before setting and certifying its tax rate.

Section 137.073.6(3), RSMo, allows a taxing authority to submit amended tax rate forms to the State Auditor's Office in the event the taxing authority incorrectly completed the forms or made clerical errors. These changes are factored into the current year's tax rate ceiling calculation.

A taxing authority's total assessed valuation submitted by the county clerk or a representative of the taxing authority is used in the State Auditor's Office review of property taxes. The State Auditor's Office does not review the assessed valuation of individual pieces of property. Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the county assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease, tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority. In addition, Appendix V is a map that provides a statewide geographical perspective of total county valuation changes prior to adjustments for new construction and reassessment. The total assessed valuation is the value used to bill the property tax rates. Appendix VI is a map of the adjusted assessed valuation by county. The adjusted assessed valuation is the value of last year's property in the current year. This map reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2019 assessed valuations indicate the majority of county adjusted assessed valuation changes were less than the consumer price index, which does not indicate a major reassessment increase. The comparison of assessed valuations and tax rate ceilings from 2018 to 2019 for Appendixes I through VI give

consideration to revisions submitted by taxing authorities to the State Auditor's Office for changes to assessments occurring after setting the 2018 property tax rate.

Taxing authorities are listed by primary county (as designated by the taxing authority when established) in Appendixes VII and VIII and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only. The assessed valuations presented for taxing authorities in Appendixes VII and VIII, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling. Prior years' tax rate reports are available on the State Auditor's website at auditor.mo.gov.

We do not review sales tax rollbacks required by law for some county levies as part of this report. Any concerns in that area would be addressed in audit reports we issue for individual counties. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review to ensure the district did not waive all or part of the rollback without voter approval in order to generate additional local revenues. A majority of the 516 school districts have obtained voter approved waivers of the required sales tax rollback of their property tax, including 460 with a full waiver and 30 with a partial waiver. Appendixes VII and VIII indicate the 490 school districts that have either full or partial waivers of Proposition C reductions.

Appendix I
2019 Property Tax Rates
Summary of Changes in Assessed Valuation for Local Governments Levying a Single Tax Rate on All Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	106	112	103	7	0	2
Hospitals	12	12	12	0	0	0
Nursing Home Districts	30	31	30	0	0	1
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	18	6	3	0
Drainage and Levee Districts	2	2	1	1	0	0
Special Road Districts	208	275	204	47	0	24
Municipalities	757	1,295	964	248	0	83
Tax Supported Public Libraries	79	85	78	5	0	2
Townships	283	771	550	132	15	74
Fire Protection Districts	384	486	401	37	0	48
Sewer Districts	7	8	7	0	0	1
Special Business Districts	18	18	9	4	1	4
Regional Recreational District	1	1	1	0	0	0
Community Improvement Districts	12	13	6	2	4	1
Health Centers	90	90	81	9	0	0
Special Road District Subdistrict	1	1	1	0	0	0
Extension District	1	1	0	1	0	0
Transportation Development District	1	1	1	0	0	0
Junior Colleges	12	16	13	0	0	3
Museum District	1	5	5	0	0	0
School Districts	495	842	447	85	0	310
Special School Districts	2	3	2	0	0	1
Counties	114	426	387	29	0	10
Totals	2,644	4,522	3,322	613	23	564

(1) This column includes debt service levies, new voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

Appendix II
2019 Property Tax Rates
Summary of Changes in Assessed Valuation for Local Governments Levying a Separate Rate for Each Subclass of Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	79	128	99	12	99	78	6	14	6	24	0	79	0	3	23
Tax Supported Public Libraries	5	6	5	1	4	4	0	2	1	1	0	2	0	0	1
Fire Protection Districts	22	102	83	29	80	61	0	24	3	22	0	30	0	0	19
Sewer Districts	15	15	15	5	14	11	0	3	1	4	0	7	0	0	0
Street Light Maintenance Districts	4	4	4	0	3	3	0	0	1	1	0	4	0	0	0
Special Business Districts	9	9	5	0	8	0	2	0	1	0	2	9	0	9	0
Community Improvement Districts	4	4	2	0	0	0	0	0	2	0	0	2	0	2	2
School Districts	21	43	23	12	23	20	0	1	0	3	0	10	0	0	20
County	1	6	5	0	5	5	0	5	0	0	0	0	0	0	1
Totals	160	317	241	59	236	182	8	49	15	55	2	143	0	14	66

(1) This column includes debt service levies, new voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations. Debt service levies are not subject to the multi-rate system; the same rate applies to each subclass of property.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

Appendix III
2019 Property Tax Rates
Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Single Tax Rate on All Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates					
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	Debt Service Levies
Ambulance Districts	106	112	49	12	47	2	0	2
Hospitals	12	12	4	2	6	0	0	0
Nursing Home Districts	30	31	14	4	11	1	0	1
Public Water Supply District	1	1	0	0	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	14	5	4	4	0	0
Drainage and Levee Districts	2	2	1	1	0	0	0	0
Special Road Districts	208	275	108	63	80	0	24	0
Municipalities	757	1,295	460	313	437	2	15	68
Tax Supported Public Libraries	79	85	37	12	32	2	0	2
Townships	283	771	310	145	241	1	63	11
Fire Protection Districts	384	486	147	51	228	12	8	40
Sewer Districts	7	8	1	0	6	0	0	1
Special Business Districts	18	18	6	3	5	0	4	0
Regional Recreational District	1	1	0	1	0	0	0	0
Community Improvement Districts	12	13	6	2	4	0	0	1
Health Centers	90	90	41	13	33	3	0	0
Special Road District Subdistrict	1	1	1	0	0	0	0	0
Extension District	1	1	0	1	0	0	0	0
Transportation Development District	1	1	1	0	0	0	0	0
Junior Colleges	12	16	2	1	10	0	0	3
Museum District	1	5	0	0	5	0	0	0
School Districts	495	842	53	248	157	74	4	306
Special School Districts	2	3	0	1	1	0	0	1
Counties	114	426	192	60	164	0	8	2
Totals	2,644	4,522	1,447	938	1,472	101	126	438

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board increasing rates under Missouri Constitution, Article X, Section 11(b), which allows school districts to levy up to $2.7500 by school board action alone.

(2) This column includes new voter approved levies, newly formed districts, or a levy voted to replace an expired levy.

Appendix IV
2019 Property Tax Rates
Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Number of Tax Rates by Subclass																	
			Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)				Other (2)	Debt Service Levies
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.		
Municipalities	79	128	14	94	11	99	5	4	7	0	85	7	86	5	1	0	1	1	0	23
Tax Supported Public Libraries	5	6	0	2	1	5	0	2	0	0	5	1	4	0	0	0	0	0	0	1
Fire Protection Districts	22	102	1	45	7	76	0	11	2	0	80	25	72	5	3	3	3	3	1	18
Sewer Districts	15	15	15	15	15	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Street Light Maintenance Districts	4	4	0	3	2	4	0	0	0	0	4	1	2	0	0	0	0	0	0	0
Special Business Districts	9	9	2	9	2	9	2	0	1	0	5	0	6	0	0	0	0	0	0	0
Community Improvement Districts	4	4	0	2	1	2	0	0	1	0	2	0	0	0	0	0	0	0	0	2
School Districts	21	43	0	8	0	17	0	3	1	2	21	11	20	2	1	0	1	1	0	20
County	1	6	0	1	0	1	0	0	0	0	5	4	5	4	0	0	0	0	0	1
Totals	160	317	32	179	39	228	7	20	12	2	207	49	195	16	5	3	5	5	1	65

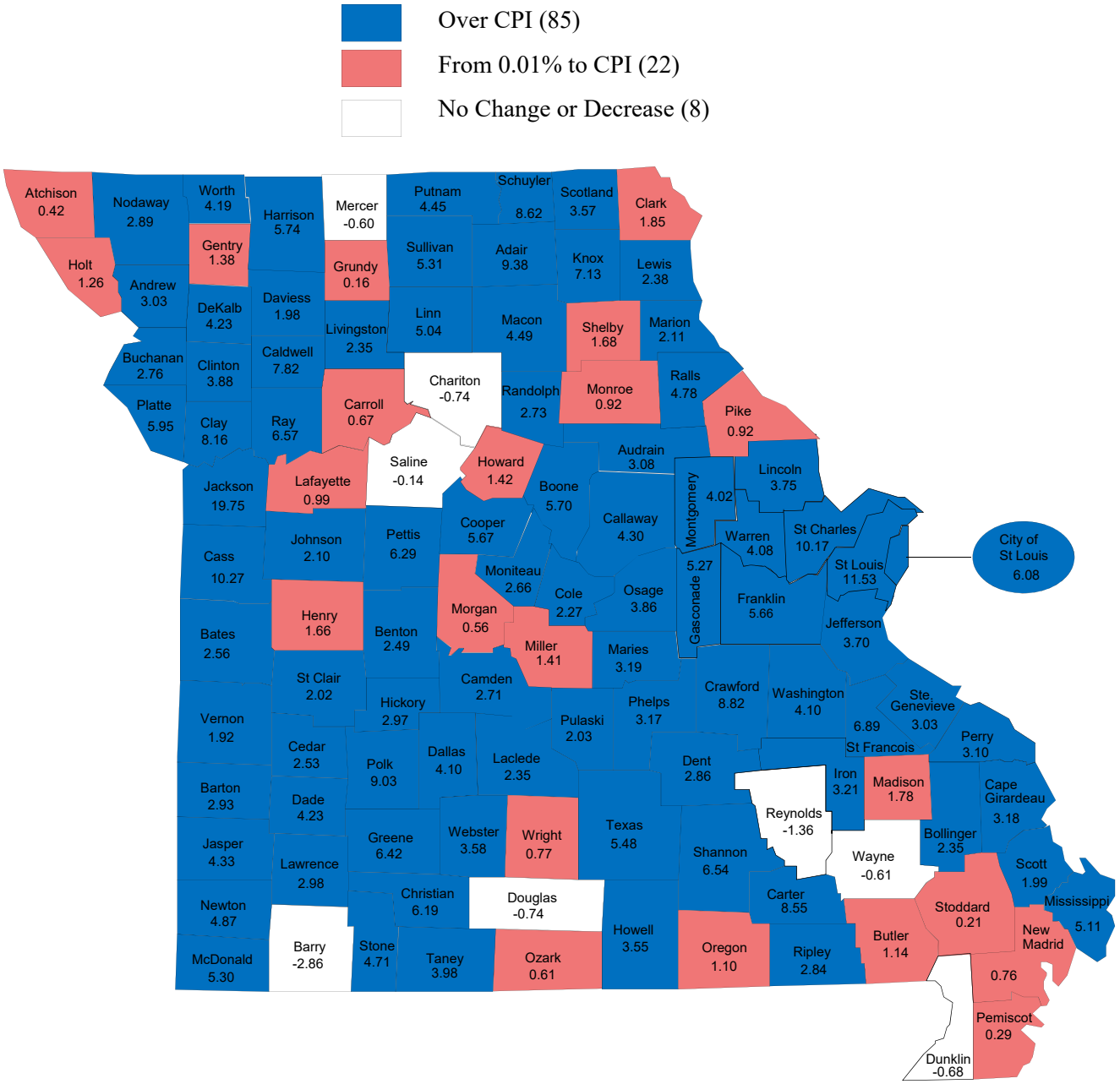
(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board increasing rates under Missouri Constitution, Article X, Section 11(b), which allows school districts to levy up to $2.7500 by school board action alone.

(2) This column includes a new voter approved tax rate.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

Appendix V
2019 Property Tax Rates
2018 – 2019 Percentage Change in Total Assessed Valuations by County,
Overall County Valuation Changes Prior to Adjustments

The 2019 consumer price index (CPI) of 1.90% was certified by the State Tax Commission.

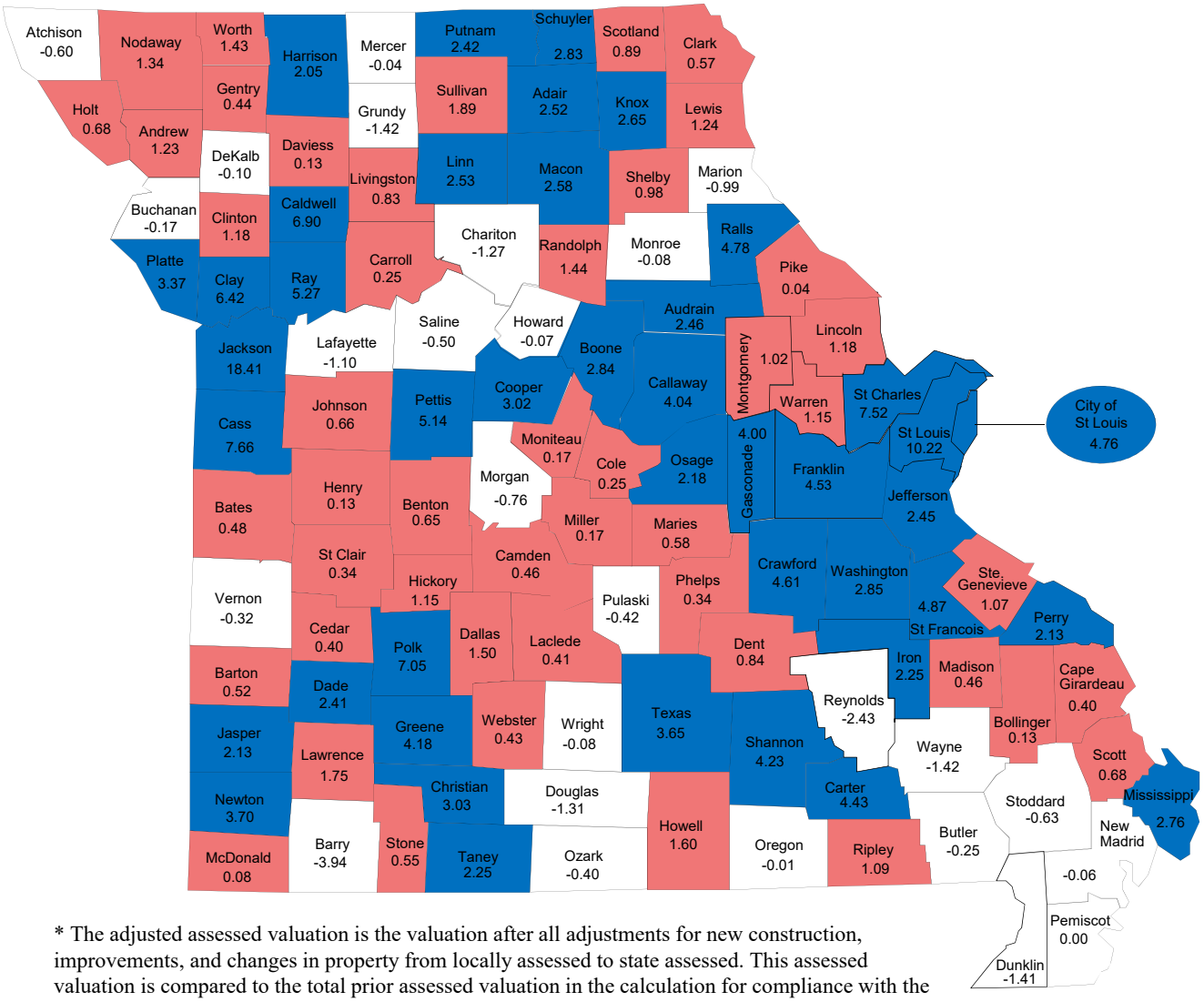


High: Jackson County 19.75 Low: Barry County -2.86

Appendix VI
2019 Property Tax Rates
2018 – 2019 Percentage Change in Adjusted Assessed Valuations by County*

The 2019 consumer price index (CPI) of 1.90% was certified by the State Tax Commission.

Over CPI (42)
From 0.01% to CPI (47)
No Change or Decrease (26)



* The adjusted assessed valuation is the valuation after all adjustments for new construction, improvements, and changes in property from locally assessed to state assessed. This assessed valuation is compared to the total prior assessed valuation in the calculation for compliance with the Hancock Amendment.

High: Jackson County 18.41 Low: Barry County -3.94

Appendix VII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
Adair							
Adair County Ambulance District	General Revenue	325,914,718	0.0000	0.0000	0		
Adair County NHD	General Revenue	319,199,884	0.1489	0.1489	475,289		
City of Brashear	Fire	1,398,322	0.3062	0.3062	4,282		2020
	General Revenue-Temp	1,398,322	1.4704	1.4704	20,561		2019
City of Kirksville	General Revenue	195,537,724	0.6778	0.6778	1,325,355		
City of Novinger	General Revenue	2,200,132	0.4961	0.4961	10,915		
	General Revenue-Temp	2,200,132	0.3664	0.3664	8,061		2021
Village of Gibbs Village	General Revenue	654,891	0.7170	0.7170	4,696		
Adair County Library District	General Revenue	325,914,718	0.1491	0.1491	485,939		
Adair County Health Department	General Revenue	325,914,718	0.1988	0.1988	647,918		
Adair County R-I School District	Operating Funds-Schools	17,122,995	3.7500	3.7500	642,112	D	
	Debt Service	17,122,995	0.5873	0.5756	98,560		
Kirksville R-III School District	Operating Funds-Schools	261,168,794	3.3677	3.3677	8,795,381	D	
	Debt Service	261,168,794	1.4504	0.8190	2,138,972		
Adair County R-II School District	Operating Funds-Schools	15,454,147	3.5770	3.5769	552,779	D	
	Debt Service	15,454,147	0.8235	0.6511	100,622		
Adair County	General Revenue	325,914,718	0.3700	0.1055	343,840		
	Road & Bridge	325,914,718	0.2749	0.2749	895,940		
	Developmental Dis. Board	325,914,718	0.1491	0.1491	485,939		
Andrew							
Andrew County Ambulance District	General Revenue	268,987,309	0.2625	0.1716	461,582		
Andrew County NHD	General Revenue	285,514,262	0.0280	0.0280	79,944		
City of Bolckow	General Revenue	1,142,542	0.8362	0.8362	9,554		
Village of Cosby	General Revenue	815,697	0.4840	0.4840	3,948		
Village of Country Club	General Revenue	36,897,990	0.3946	0.3946	145,599		
City of Fillmore	General Revenue	1,085,317	0.6321	0.6321	6,860		
Village of Rea	General Revenue	609,926	0.3150	0.3150	1,921		
Village of Rosendale	General Revenue	537,004	1.0000	1.0000	5,370		
City of Savannah	General Revenue	43,243,511	0.5579	0.5579	241,256		
	Parks & Recreation	43,243,511	0.3559	0.3559	153,904		
	Debt Service	43,243,511	0.2208	0.2208	95,482		
City of Amazonia	General Revenue	2,203,085	0.6409	0.6409	14,120		
Bolckow FPD	General Revenue	11,843,123	0.2387	0.2387	28,270		
Rosendale FPD	General Revenue	20,084,611	0.2592	0.2592	52,059		
Fillmore FPD	General Revenue	9,868,185	0.4132	0.4132	40,775		
Savannah FPD	General Revenue	136,538,357	0.5426	0.5426	740,857		
Village of Country Club FPD	General Revenue	21,790,125	0.6569	0.6569	143,139		
Cosby-Helena FPD	General Revenue	24,480,604	0.2783	0.2783	68,130		
Andrew County Health Department	General Revenue	285,514,262	0.0861	0.0861	245,828		
North Andrew County R-VI SD	Operating Funds-Schools	23,923,939	4.3734	4.3734	1,046,290	D	
Avenue City R-IX School District	Operating Funds-Schools	26,068,393	3.4432	3.4432	897,587	D	
	Debt Service	26,068,393	1.0403	0.9800	255,470		
Savannah R-III School District	Operating Funds-Schools	190,618,923	3.6536	3.6536	6,964,453	D	
Andrew County	General Revenue	285,514,262	0.3106	0.1904	543,619		
	Johnson Grass	285,514,262	0.0147	0.0147	41,971		
	Road & Bridge	285,514,262	0.2417	0.2417	690,088		
	Special Road and Bridge	285,514,262	0.2500	0.2500	713,786		2020
	Developmental Dis. Board	285,514,262	0.0776	0.0776	221,559		

Appendix VII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
Andrew							
Andrew County	Senior Services	285,514,262	0.0273	0.0273	77,945		
Atchison							
Atchison-Holt Ambulance District	General Revenue	306,338,249	0.2906	0.2906	890,219		
Langdon SRD Atchison County	Special Road and Bridge	4,043,678	0.3648	0.3648	14,751		2020
Phelps City SRD Atchison County	Special Road and Bridge	7,526,014	0.3641	0.3641	27,402		2021
Tarkio SRD Atchison County	Special Road and Bridge	24,495,074	0.3558	0.3558	87,153	A	2022
Watson SRD Atchison County	Special Road and Bridge	6,297,296	0.3450	0.3450	21,726		2020
Atchison County SRD	Special Road and Bridge	114,862,796	0.3613	0.3613	414,999	A	2022
City of Fairfax	General Revenue	4,317,147	0.8497	0.8497	36,683		
	Parks & Recreation	4,317,147	0.2000	0.2000	8,634		
	Lights	4,317,147	0.2500	0.2500	10,793		
	General Revenue-Temp	4,317,147	0.3165	0.3165	13,664		2020
City of Rock Port	General Revenue	12,185,100	0.8808	0.8808	107,326		
	Parks & Recreation	12,185,100	0.3522	0.3522	42,916		
City of Tarkio	General Revenue	14,022,559	0.8079	0.8079	113,288		
	Parks & Recreation	14,022,559	0.3059	0.3059	42,895		
	Lights	14,022,559	0.6665	0.6665	93,460		
Village of Watson	General Revenue	578,311	0.4682	0.4682	2,708		
	General Revenue-Temp	578,311	0.3136	0.3136	1,814		2020
City of Westboro	General Revenue	1,009,149	1.0000	1.0000	10,091		
	Lights	1,009,149	0.2500	0.2500	2,523		
	Streets	1,009,149	0.9000	0.9000	9,082		
Atchison County Library District	General Revenue	157,224,858	0.2974	0.2974	467,587		
Fairfax Volunteer FPD	General Revenue	18,438,529	0.3980	0.3980	73,385		
Tarkio FPD	General Revenue	34,559,139	0.4000	0.4000	138,237		
West Atchison FPD	General Revenue	40,892,665	0.6425	0.6425	262,735		
Westboro Volunteer FPD	General Revenue	22,314,237	0.3500	0.3500	78,100		
Atchison County Health Department	General Revenue	157,224,858	0.0992	0.0992	155,967		
Tarkio R-I School District	Operating Funds-Schools	63,781,813	3.7844	3.7844	2,413,759	D	
Rock Port R-II School District	Operating Funds-Schools	48,048,948	4.1278	4.0984	1,969,238	D	
	Debt Service	48,048,948	0.8363	0.8218	394,866		
Fairfax R-III School District	Operating Funds-Schools	22,388,188	4.1057	4.1057	919,192	D	
	Operating Funds - Temp	22,388,188	0.7648	0.6791	152,038		2024
Atchison County	General Revenue	157,224,858	0.4957	0.4957	779,364		
	Solid Waste Landfill	157,224,858	0.0000	0.0000	0		
	Road & Bridge	157,224,858	0.4957	0.4957	779,364		
	Developmental Dis. Board	157,224,858	0.0992	0.0992	155,967		
	Senior Services	157,224,858	0.0495	0.0495	77,826		
Audrain							
Van-Far Ambulance District	General Revenue	55,927,187	0.2946	0.1812	101,340		
Audrain Ambulance District	General Revenue	288,274,250	0.2988	0.1296	373,603		
Tri County NHD	General Revenue	60,157,976	0.2465	0.2465	148,289		
Laddonia Farber SRD Audrain County	Special Road and Bridge	24,243,432	0.3518	0.3518	85,288		2021
Saling SRD 2 Audrain County	Special Road and Bridge	16,318,492	0.3500	0.3500	57,115	A	2022
Vandalia SRD Audrain County	Special Road and Bridge	41,432,564	0.3475	0.3475	143,978		2019
Village of Benton City	General Revenue	898,322	0.4078	0.4078	3,663		
City of Farber	General Revenue	2,172,387	0.6150	0.6150	13,360		
	Lights	2,172,387	0.3124	0.3124	6,787		

Appendix VII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
Audrain							
City of Laddonia	General Revenue	6,156,764	0.9757	0.9757	60,072		
	Lights	6,156,764	0.3452	0.3452	21,253		
City of Martinsburg	General Revenue	4,025,808	0.5878	0.5878	23,664		
City of Mexico	General Revenue	158,466,188	0.4310	0.4310	682,989		
	Parks & Recreation	158,466,188	0.0987	0.0987	156,406		
	Health	158,466,188	0.1975	0.1975	312,971		
Village of Rush Hill	General Revenue	641,067	0.4583	0.4583	2,938		
City of Vandalia	General Revenue	19,853,636	0.7552	0.7552	149,935		
	Parks & Recreation	19,853,636	0.1690	0.1690	33,553		
Village of Vandiver	General Revenue	3,680,025	0.3161	0.3161	11,633		
Mexico-Audrain County PLD	General Revenue	410,547,114	0.2213	0.2213	908,541		
Little Dixie FPD	General Revenue	123,410,388	0.3944	0.3944	486,731		
Martinsburg Area FPD	General Revenue	22,688,440	0.1884	0.1884	42,745		
Laddonia & Rural FPD	General Revenue	17,493,627	0.2838	0.2838	49,647		
Audrain County Health Department	General Revenue	410,547,114	0.2511	0.2511	1,030,884		
Community R-VI School District	Operating Funds-Schools	35,521,083	3.9408	3.9408	1,399,815	D	
	Debt Service	35,521,083	0.7879	0.5500	195,366		
Van-Far R-I School District	Operating Funds-Schools	46,480,708	3.9724	3.9608	1,841,008	D	
	Debt Service	46,480,708	0.8560	0.6109	283,951		
Mexico 59 School District	Operating Funds-Schools	212,794,993	3.5914	3.5914	7,642,319	D	
	Debt Service	212,794,993	0.8837	0.8691	1,849,401		
Audrain County	General Revenue	410,547,114	0.4028	0.2149	882,266		
	Road & Bridge	410,547,114	0.3019	0.3019	1,239,442		
	Common Road District	124,693,251	0.3535	0.3535	440,791		2020
	Developmental Dis. Board	410,547,114	0.2089	0.2089	857,633		
Barry							
Barry-Lawrence Ambulance District	General Revenue	280,164,528	0.1236	0.0618	173,142		
South Barry Ambulance District	General Revenue	320,451,729	0.0000	0.0000	0		
South Barry Co Memorial Hospital	General Revenue	309,847,659	0.0907	0.0907	281,032		
Ash SRD Barry County	Road & Bridge	5,614,557	0.1721	0.1721	9,663		
	Special Road and Bridge	5,614,557	0.1298	0.1298	7,288		2019
Butterfield SRD Barry County	Road & Bridge	19,821,602	0.1858	0.1858	36,829		
	Special Road and Bridge	19,821,602	0.1327	0.1327	26,303		2019
Capps Creek SRD Barry County	Road & Bridge	8,948,423	0.2670	0.2670	23,892		
Corsicana SRD Barry County	Road & Bridge	5,359,535	0.1979	0.1979	10,607		
	Special Road and Bridge	5,359,535	0.1315	0.1315	7,048		2019
Crane Creek SRD Barry County	Road & Bridge	9,952,760	0.1945	0.1945	19,358		
Exeter SRD Barry County	Road & Bridge	19,570,157	0.1963	0.1963	38,416		
	Special Road and Bridge	19,570,157	0.1347	0.1347	26,361		2020
Flat Creek SRD Barry County	Road & Bridge	79,611,799	0.1546	0.1546	123,080		
	Special Road and Bridge	79,611,799	0.1377	0.1377	109,625		2019
Greasy Creek SRD 35 Barry County	Road & Bridge	2,829,376	0.1859	0.1859	5,260		
	Special Road and Bridge	2,829,376	0.3465	0.3465	9,804		2019
Jenkins SRD 20 Barry County	Road & Bridge	4,589,080	0.1507	0.1507	6,916		
Kings Prairie SRD Barry County	Road & Bridge	12,123,482	0.2038	0.2038	24,708		
	Special Road and Bridge	12,123,482	0.1355	0.1355	16,427		2019
Liberty Common SRD 34 Barry County	Road & Bridge	766,406	0.1264	0.1264	969		
McDonald SRD 19 Barry County	Road & Bridge	4,413,761	0.1683	0.1683	7,428		

Appendix VII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
Barry							
Mineral Springs SRD 10 Barry County	Road & Bridge	9,134,142	0.1847	0.1847	16,871		
	Special Road and Bridge	9,134,142	0.1351	0.1351	12,340		2019
Mountain SRD 22 Barry County	Road & Bridge	3,809,972	0.1881	0.1881	7,167		
Ozark SRD Barry County	Road & Bridge	10,170,926	0.1459	0.1459	14,839		
	Special Road and Bridge	10,170,926	0.1306	0.1306	13,283		2019
Pioneer SRD 31 Barry County	Road & Bridge	2,047,944	0.2022	0.2022	4,141		
	Special Road and Bridge	2,047,944	0.1326	0.1326	2,716		2019
Pleasant Ridge SRD 25 Barry County	Road & Bridge	6,199,859	0.1620	0.1620	10,044		
	Special Road and Bridge	6,199,859	0.1360	0.1360	8,432		2019
Purdy SRD 28 Barry County	Road & Bridge	23,407,691	0.1997	0.1997	46,745		
	Special Road and Bridge	23,407,691	0.1352	0.1352	31,647		2019
Roaring River SRD 2 Barry County	Road & Bridge	27,340,042	0.1349	0.1349	36,882		
Shell Knob SRD 9 Barry County	Road & Bridge	36,698,468	0.1578	0.1578	57,910		
Sugar Creek SRD 3 Barry County	Road & Bridge	15,319,848	0.1508	0.1508	23,102		
Viola SRD 21 Barry County	Road & Bridge	37,520,406	0.1216	0.1216	45,625		
Washburn SRD 4 Barry County	Road & Bridge	12,212,207	0.2036	0.2036	24,864		
	Special Road and Bridge	12,212,207	0.1307	0.1307	15,961		2021
Wheaton SRD 29 Barry County	Road & Bridge	16,064,134	0.1891	0.1891	30,377		
	Special Road and Bridge	16,064,134	0.1321	0.1321	21,221		2019
White River SRD 7 Barry County	Road & Bridge	32,334,592	0.1284	0.1284	41,518		
Monett SRD Barry County	Road & Bridge	128,897,260	0.1817	0.1817	234,206		
City of Butterfield	General Revenue	2,401,435	0.4129	0.4129	9,916		
	Debt Service	2,401,435	1.4126	1.4126	33,923		
City of Cassville	General Revenue	40,833,472	0.0000	0.0000	0		
City of Exeter	General Revenue	4,725,425	0.4478	0.4478	21,160		
City of Purdy	General Revenue	5,265,551	0.3972	0.3972	20,915		
City of Seligman	General Revenue	5,001,300	0.2603	0.2603	13,018		
	Streets	5,001,300	0.1601	0.1601	8,007		
City of Washburn	General Revenue	2,868,593	0.4280	0.4280	12,278		
City of Wheaton	General Revenue	3,578,915	0.4854	0.4854	17,372		
Village of Chain O Lakes	General Revenue	1,281,077	0.5000	0.5000	6,405	A	
	General Revenue-Temp	1,281,077	0.3000	0.3000	3,843	A	2022
Barry-Lawrence County PLD	General Revenue	1,007,468,902	0.1482	0.1482	1,493,069		
Eagle Rock-Golden-Mano FPD	General Revenue	61,601,561	0.3844	0.3844	236,796		
Central Crossing FPD	General Revenue	112,037,662	0.6796	0.6796	761,408		
	Wages	112,037,662	0.3045	0.3045	341,155		
Cassville FPD	General Revenue	79,608,503	0.2963	0.2963	235,880		
Butterfield FPD	General Revenue	23,171,301	0.2993	0.2993	69,352		
Exeter FPD	General Revenue	20,645,813	0.2945	0.2945	60,802		
Seligman FPD	General Revenue	17,571,804	0.2938	0.2938	51,626		
Purdy FPD	General Revenue	31,272,447	0.2868	0.2868	89,689		
Jenkins Rural FPD	General Revenue	17,062,010	0.2907	0.2907	49,599		
Wheaton FPD	General Revenue	24,504,107	0.3021	0.3021	74,027		
Monett Rural FPD	General Revenue	53,701,795	0.2796	0.2796	150,150		
Washburn FPD	General Revenue	23,047,379	0.2934	0.2934	67,621		
Barry County Health Department	General Revenue	503,730,965	0.0738	0.0738	371,753		
Wheaton R-III School District	Operating Funds-Schools	22,231,172	2.7592	2.7500	611,357	D	
	Debt Service	22,231,172	0.9078	0.8300	184,519		

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Barry							
Southwest Barry County R-V SD	Operating Funds-Schools	40,682,353	2.7500	2.7500	1,118,765	E	
	Debt Service	40,682,353	1.6295	0.8500	345,800		
Exeter R-VI School District	Operating Funds-Schools	16,285,324	3.5003	3.5003	570,035	D	
	Debt Service	16,285,324	0.7738	0.6490	105,692		
Cassville R-IV School District	Operating Funds-Schools	186,682,139	2.9900	2.9900	5,581,796	D	
	Debt Service	186,682,139	0.6266	0.4747	886,180		
Purdy R-II School District	Operating Funds-Schools	31,897,358	2.7638	2.7638	881,579	D	
	Debt Service	31,897,358	0.7800	0.7719	246,216		
Shell Knob 78 School District	Operating Funds-Schools	77,171,024	3.4062	3.4062	2,628,599	D	
Monett R-I School District	Operating Funds-Schools	186,567,547	3.1242	3.1242	5,828,743	D	
	Debt Service	186,567,547	0.6098	0.5600	1,044,778		
Barry County	General Revenue	503,730,965	0.0000	0.0000	0		
	Developmental Dis. Board	503,730,965	0.0669	0.0200	100,746		
	Senior Services	503,730,965	0.0500	0.0500	251,865		
Barton							
Barton County Ambulance District	General Revenue	188,666,810	0.0000	0.0000	0		
City of Golden City	General Revenue	6,167,471	0.6174	0.6174	38,078		
	Parks & Recreation	6,167,471	0.1398	0.1398	8,622		
	Health	6,167,471	0.1749	0.1749	10,787		
City of Lamar	General Revenue	55,047,862	0.6474	0.6474	356,380		
	Parks & Recreation	55,047,862	0.1800	0.1800	99,086		
	Memorial Fund	55,047,862	0.1800	0.1800	99,086		
City of Liberal	General Revenue	4,584,039	0.6068	0.6068	27,816		
City of Mindenmines	General Revenue	1,368,008	0.5170	0.5170	7,073		
Barton County Library District	General Revenue	188,666,810	0.0771	0.0771	145,462		
	Library	188,666,810	0.0797	0.0797	150,367		
Barton City Township Barton County	General Revenue	4,461,883	0.1000	0.1000	4,462		
	Road & Bridge	4,461,883	0.2675	0.2675	11,936		
	Special Road and Bridge	4,461,883	0.2687	0.2687	11,989		2021
Central Township Barton County	General Revenue	13,283,132	0.0852	0.0852	11,317		
	Road & Bridge	13,283,132	0.3306	0.3306	43,914		
	Special Road and Bridge	13,283,132	0.4859	0.4859	64,543		2020
City Township Barton County	General Revenue	52,074,252	0.0507	0.0500	26,037		
	Road & Bridge	52,074,252	0.1725	0.1700	88,526		
Doylesport Township Barton County	General Revenue	4,726,782	0.1000	0.1000	4,727		
	Road & Bridge	4,726,782	0.3068	0.3068	14,502		
	Special Road and Bridge	4,726,782	0.3129	0.3129	14,790	A	2022
Golden City Township Barton County	General Revenue	14,890,966	0.0891	0.0891	13,268		
	Road & Bridge	14,890,966	0.2341	0.2341	34,860		
Lamar Township Barton County	General Revenue	32,175,493	0.1000	0.1000	32,175		
	Road & Bridge	32,175,493	0.5000	0.5000	160,877		
Leroy Township Barton County	General Revenue	8,354,700	0.0869	0.0869	7,260		
	Road & Bridge	8,354,700	0.3203	0.3203	26,760		
Milford Township Barton County	General Revenue	3,553,903	0.1000	0.1000	3,554		
	Road & Bridge	3,553,903	0.3101	0.3101	11,021		
Nashville Township Barton County	General Revenue	9,192,771	0.0929	0.0929	8,540		
	Road & Bridge	9,192,771	0.3360	0.3360	30,888		
	Special Road and Bridge	9,192,771	0.3847	0.3847	35,365		2020

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Barton							
Newport Township Barton County	General Revenue	4,498,985	0.1000	0.1000	4,499		
	Road & Bridge	4,498,985	0.2743	0.2743	12,341		
	Special Road and Bridge	4,498,985	0.1029	0.1029	4,629	A	2022
North Fork Township Barton County	General Revenue	4,385,375	0.0979	0.0979	4,293		
	Road & Bridge	4,385,375	0.3061	0.3061	13,424		
	Special Road and Bridge	4,385,375	0.5153	0.5153	22,598		2020
Ozark Township Barton County	General Revenue	10,181,133	0.0929	0.0929	9,458		
	Road & Bridge	10,181,133	0.2376	0.2376	24,190		
Richland Township Barton County	General Revenue	11,140,910	0.0961	0.0961	10,706		
	Road & Bridge	11,140,910	0.3938	0.3938	43,873		
	Special Road and Bridge	11,140,910	0.4059	0.4059	45,221		2021
South West Township Barton County	General Revenue	8,964,271	0.0978	0.0978	8,767		
	Road & Bridge	8,964,271	0.3419	0.3419	30,649		
Union Township Barton County	General Revenue	6,782,254	0.0955	0.0955	6,477		
	Road & Bridge	6,782,254	0.4126	0.4126	27,984		
	Special Road and Bridge	6,782,254	0.4769	0.4769	32,345		2019
Golden City Volunteer FPD	General Revenue	27,765,842	0.0937	0.0937	26,017		
Barton County Health Department	General Revenue	188,666,810	0.1495	0.1495	282,057		
Liberal R-II School District	Operating Funds-Schools	36,237,396	3.1046	3.1046	1,125,026	D	
	Debt Service	36,237,396	0.6777	0.6000	217,424		
Golden City R-III School District	Operating Funds-Schools	20,139,234	3.4618	3.4300	690,776	D	
Lamar R-I School District	Operating Funds-Schools	100,756,053	3.7500	3.7500	3,778,352	D	
	Debt Service	100,756,053	1.0366	0.5100	513,856		
Barton County	General Revenue	188,666,810	0.2441	0.0500	94,333		
	Hospital	188,666,810	0.4332	0.4332	817,305		
Bates							
Cornland SRD Bates County	Road & Bridge	808,221	0.3500	0.3500	2,829		
	Special Road and Bridge	808,221	0.1784	0.1784	1,442		2019
South Hudson SRD Bates County	Road & Bridge	1,151,527	0.3249	0.3249	3,741		
	Special Road and Bridge	1,151,527	0.3095	0.3095	3,564	A	2022
City of Adrian	General Revenue	14,395,189	0.5781	0.5781	83,219		
	Parks & Recreation	14,395,189	0.0500	0.0500	7,198		
	Library	14,395,189	0.2011	0.2011	28,949		
City of Amoret	General Revenue	688,868	0.5863	0.5863	4,039		
City of Amsterdam	General Revenue	2,090,167	0.9886	0.9886	20,663		
City of Butler	General Revenue	43,485,103	0.6025	0.6025	261,998		
	Parks & Recreation	43,485,103	0.0282	0.0282	12,263		
	Lake	43,485,103	0.0122	0.0122	5,305		
City of Hume	General Revenue	1,948,361	1.0000	1.0000	19,484		
	Lights	1,948,361	0.4000	0.4000	7,793		
	Water	1,948,361	0.5352	0.5352	10,428		
Village of Merwin	General Revenue	297,167	0.5500	0.5500	1,634		
Village of Passaic	General Revenue	207,612	1.0000	1.0000	2,076		
City of Rich Hill	General Revenue	7,421,799	0.6964	0.6964	51,685		
	Parks & Recreation	7,421,799	0.2809	0.2809	20,848		
	Library	7,421,799	0.2400	0.2400	17,812		
	Health	7,421,799	0.1460	0.1460	10,836		
City of Rockville	General Revenue	1,545,376	0.9000	0.9000	13,908		

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Bates							
City of Rockville	Streets	1,545,376	0.4000	0.4000	6,182		
Village of Foster	General Revenue	599,425	0.7941	0.7941	4,760		
Charlotte Township Bates County	General Revenue	5,617,331	0.1000	0.1000	5,617		
	Road & Bridge	5,617,331	0.3314	0.3314	18,616		
	Special Road and Bridge	5,617,331	0.3011	0.3011	16,914		2021
Deepwater Township Bates County	General Revenue	4,313,046	0.1000	0.1000	4,313		
	Road & Bridge	4,313,046	0.2472	0.2472	10,662		
	Special Road and Bridge	4,313,046	0.3618	0.3618	15,605	A	2022
Deer Creek Township Bates County	General Revenue	26,463,188	0.0721	0.0721	19,080		
	Road & Bridge	26,463,188	0.2373	0.2373	62,797		
East Boone Township Bates County	General Revenue	13,680,306	0.0875	0.0875	11,970		
	Road & Bridge	13,680,306	0.2409	0.2409	32,956		
	Special Road and Bridge	13,680,306	0.3494	0.3494	47,799	A	2022
Elkhart Township Bates County	General Revenue	4,721,293	0.0916	0.0916	4,325		
	Road & Bridge	4,721,293	0.2519	0.2519	11,893		
	Special Road and Bridge	4,721,293	0.2891	0.2891	13,649		2020
Grand River Township Bates County	General Revenue	3,838,072	0.1000	0.1000	3,838		
	Road & Bridge	3,838,072	0.2798	0.2798	10,739		
	Special Road and Bridge	3,838,072	0.3551	0.3551	13,629		2020
Homer Township Bates County	General Revenue	9,155,810	0.0922	0.0922	8,442		
	Road & Bridge	9,155,810	0.3113	0.3113	28,502		
	Special Road and Bridge	9,155,810	0.1773	0.1773	16,233		2019
Howard Township Bates County	General Revenue	6,650,747	0.1000	0.1000	6,651		
	Road & Bridge	6,650,747	0.3500	0.3500	23,278		
	Special Road and Bridge	6,650,747	0.3499	0.3499	23,271		2019
Hudson Township Bates County	General Revenue	5,210,326	0.1000	0.1000	5,210		
	Road & Bridge	5,210,326	0.3079	0.3079	16,043		
	Special Road and Bridge	5,210,326	0.3638	0.3638	18,955		2020
Lone Oak Township Bates County	General Revenue	5,567,038	0.0931	0.0931	5,183		
	Road & Bridge	5,567,038	0.2681	0.2681	14,925		
	Special Road and Bridge	5,567,038	0.3112	0.3112	17,325		2021
Mingo Township Bates County	General Revenue	5,522,288	0.0892	0.0892	4,926		
	Road & Bridge	5,522,288	0.2474	0.2474	13,662		
	Special Road and Bridge	5,522,288	0.1933	0.1933	10,675		2020
Mound Township Bates County	General Revenue	12,151,408	0.0876	0.0876	10,645		
	Road & Bridge	12,151,408	0.2406	0.2406	29,236		
	Special Road and Bridge	12,151,408	0.3588	0.3588	43,599		2020
Mount Pleasant Township Bates Co	General Revenue	57,709,024	0.1000	0.1000	57,709		
	Road & Bridge	57,709,024	0.2224	0.2224	128,345		
New Home Township Bates County	General Revenue	3,898,822	0.1000	0.1000	3,899		
	Road & Bridge	3,898,822	0.2889	0.2889	11,264		
	Special Road and Bridge	3,898,822	0.3672	0.3672	14,316		2021
Osage Township Bates County	General Revenue	13,020,333	0.1000	0.1000	13,020		
	Road & Bridge	13,020,333	0.2681	0.2681	34,908		
Pleasant Gap Township Bates County	General Revenue	4,790,405	0.1000	0.1000	4,790		
	Road & Bridge	4,790,405	0.3034	0.3034	14,534		
	Special Road and Bridge	4,790,405	0.3628	0.3628	17,380	A	2022
Rockville Township Bates County	General Revenue	4,158,610	0.1000	0.1000	4,159		

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Bates							
Rockville Township Bates County	Road & Bridge	4,158,610	0.2923	0.2923	12,156		
Spruce Township Bates County	General Revenue	4,619,957	0.0803	0.0803	3,710		
	Road & Bridge	4,619,957	0.2409	0.2409	11,129		
	Special Road and Bridge	4,619,957	0.3778	0.3778	17,454	A	2022
Summit Township Bates County	General Revenue	4,275,098	0.0799	0.0799	3,416		
	Road & Bridge	4,275,098	0.2744	0.2744	11,731		
	Special Road and Bridge	4,275,098	0.3795	0.3795	16,224	A	2022
Walnut Township Bates County	General Revenue	6,482,232	0.1000	0.1000	6,482		
	Road & Bridge	6,482,232	0.3175	0.3175	20,581		
	Special Road and Bridge	6,482,232	0.1828	0.1828	11,850		2019
West Boone Township Bates County	General Revenue	9,966,877	0.0770	0.0770	7,674		
	Road & Bridge	9,966,877	0.2422	0.2422	24,140		
	Special Road and Bridge	9,966,877	0.3452	0.3452	34,406	A	2022
West Point Township Bates County	General Revenue	15,420,655	0.0882	0.0882	13,601		
	Road & Bridge	15,420,655	0.2737	0.2737	42,206		
	Special Road and Bridge	15,420,655	0.1954	0.1954	30,132		2019
Prairie Township Bates County	General Revenue	2,305,775	0.1000	0.1000	2,306		
	Road & Bridge	2,305,775	0.3228	0.3228	7,443		
	Special Road and Bridge	2,305,775	0.2373	0.2373	5,472		2019
Shawnee Township Bates County	General Revenue	4,219,211	0.1000	0.1000	4,219		
	Road & Bridge	4,219,211	0.3094	0.3094	13,054		
	Special Road and Bridge	4,219,211	0.3691	0.3691	15,573	A	2022
Bates County Health Center	General Revenue	233,757,552	0.0837	0.0837	195,655		
Miami R-I School District	Operating Funds-Schools	18,504,490	3.9000	3.9000	721,675	D	
	Operating Funds-Temp	18,504,490	0.4187	0.4187	77,478	A	2033
Ballard R-II School District	Operating Funds-Schools	12,102,278	4.2284	4.2284	511,733	D	
	Debt Service	12,102,278	0.7521	0.7500	90,767		
Adrian R-III School District	Operating Funds-Schools	44,351,007	3.7085	3.7085	1,644,757	D	
	Debt Service	44,351,007	1.2075	0.8023	355,828		
Rich Hill R-IV School District	Operating Funds-Schools	24,621,863	3.3460	3.3460	823,848	D	
	Debt Service	24,621,863	1.0620	1.0086	248,336		
Hume R-VIII School District	Operating Funds-Schools	8,510,231	5.2592	5.2592	447,570	D	
Hudson R-IX School District	Operating Funds-Schools	7,763,304	3.7915	3.7800	293,453	D	
Butler R-V School District	Operating Funds-Schools	76,572,150	3.5467	3.5467	2,715,784	D	
	Operating Funds-Temp	76,572,150	0.2100	0.2100	160,802		2025
	Debt Service	76,572,150	0.9416	0.9145	700,252		
Bates County	General Revenue	233,757,552	0.2724	0.2724	636,756		
	Developmental Dis. Board	233,757,552	0.1406	0.1406	328,663		
	Senior Services	233,757,552	0.0503	0.0503	117,580		
Benton							
Warsaw-Lincoln Ambulance District	General Revenue	215,021,193	0.0000	0.0000	0		
Cole Camp Ambulance District	General Revenue	65,783,215	0.2892	0.1901	125,054		
Lincoln Community NHD	General Revenue	67,490,487	0.1935	0.1935	130,594		
Good Samaritan NHD	General Revenue	80,224,578	0.1098	0.1098	88,087		
Brandon SRD Benton County	Road & Bridge	1,657,918	0.3500	0.3500	5,803		
Cole Camp SRD Benton County	Road & Bridge	13,928,148	0.3500	0.3500	48,749		
Ionia SRD Benton County	Road & Bridge	4,291,914	0.2951	0.2951	12,665		
City of Cole Camp	General Revenue	9,467,332	0.4941	0.4941	46,778		

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Benton						
Village of Ionia	General Revenue	630,280	0.7457	0.7457	4,700	
City of Lincoln	General Revenue	9,158,869	0.7700	0.7700	70,523	
	Parks & Recreation	9,158,869	0.1529	0.1529	14,004	
City of Warsaw	General Revenue	27,163,967	0.4621	0.4621	125,525	
	Parks & Recreation	27,163,967	0.0000	0.0000	0	
Lincoln Community FPD	General Revenue	50,368,020	0.2438	0.2438	122,797	
Deer Creek FPD	General Revenue	18,759,210	0.3000	0.3000	56,278	
Warsaw FPD	General Revenue	129,451,510	0.2862	0.2862	370,490	
Lakeview Heights FPD	General Revenue	16,600,216	0.2855	0.2855	47,394	
Osage Valley FPD	General Revenue	13,143,373	0.2887	0.2887	37,945	
Cole Camp & Rural FPD	General Revenue	36,915,413	0.2973	0.2973	109,750	
Benton County Health Department	General Revenue	270,579,269	0.3883	0.3883	1,050,659	
Lincoln R-II School District	Operating Funds-Schools	48,709,661	3.5429	3.5429	1,725,735	D
	Debt Service	48,709,661	0.5612	0.5000	243,548	
Warsaw R-IX School District	Operating Funds-Schools	159,218,201	2.7500	2.7500	4,378,501	D
	Debt Service	159,218,201	1.2799	0.8000	1,273,746	
Cole Camp R-I School District	Operating Funds-Schools	62,639,279	2.7500	2.7500	1,722,580	E
	Debt Service	62,639,279	0.6448	0.6200	388,364	
Benton County	General Revenue	270,579,269	0.3247	0.1350	365,282	
	Common Road District	250,701,287	0.2232	0.2232	559,565	
	Senior Services	270,579,269	0.0500	0.0500	135,290	
Bollinger						
Village of Glen Allen	General Revenue	732,358	0.5559	0.5559	4,071	
Village of Sedgewickville	General Revenue	1,430,782	0.4530	0.4530	6,481	
Woodland FPD	General Revenue	48,324,498	0.3000	0.3000	144,973	
Sedgewickville FPD	General Revenue	22,108,557	0.2002	0.2002	44,261	
North County FPD	General Revenue	39,729,183	0.2729	0.2729	108,421	
Zalma FPD	General Revenue	18,104,473	0.2769	0.2769	50,131	
Leopold Volunteer FPD	General Revenue	13,837,341	0.3000	0.3000	41,512	
Bollinger County Health Center	General Revenue	143,170,226	0.2458	0.2458	351,912	
Meadow Heights R-II School District	Operating Funds-Schools	43,243,343	2.7500	2.7500	1,189,192	D
	Debt Service	43,243,343	0.3508	0.3500	151,352	
Leopold R-III School District	Operating Funds-Schools	10,985,735	2.9540	2.9500	324,079	D
Zalma R-V School District	Operating Funds-Schools	15,133,261	2.8448	2.7500	416,165	E
Woodland R-IV School District	Operating Funds-Schools	62,681,220	2.7500	2.7500	1,723,734	D
Bollinger County	General Revenue	143,170,226	0.3627	0.2200	314,974	
	Library	143,170,226	0.0983	0.0983	140,736	
	Road & Bridge	143,170,226	0.2592	0.2592	371,097	
	Ambulance	143,170,226	0.1966	0.1966	281,473	
	Developmental Dis. Board	143,170,226	0.0983	0.0983	140,736	
Boone						
Callahan Creek WSD	General Revenue	22,575,225	0.0881	0.0881	19,889	
City of Ashland	General Revenue	70,101,236	0.2480	0.2480	173,851	
City of Centralia	General Revenue	61,421,276	0.6582	0.6582	404,275	
	Parks & Recreation	61,421,276	0.2947	0.2947	181,009	
City of Columbia	General Revenue	2,177,320,715	0.4075	0.4075	8,872,582	
City of Hallsville	General Revenue	19,425,596	0.5593	0.5593	108,647	
	Debt Service	19,425,596	0.0000	0.0000	0	

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Boone							
Town of Harrisburg	General Revenue	2,762,483	0.3645	0.3645	10,069		
Village of Hartsburg	General Revenue	1,124,947	0.5409	0.5409	6,085		
City of Rocheport	General Revenue	3,406,133	0.2707	0.2707	9,220		
City of Sturgeon	General Revenue	8,735,431	0.5363	0.5363	46,848		
Centralia Public Library District	General Revenue	51,990,154	0.5435	0.5435	282,566		
Columbia and Boone County PLD	General Revenue	2,982,606,214	0.3064	0.3064	9,138,705		
Boone County FPD	General Revenue	626,831,485	0.6342	0.6342	3,975,365		
	Dispatch	626,831,485	0.0000	0.0000	0		
	Debt Service	626,831,485	0.2532	0.2500	1,567,079		
Southern Boone County FPD	General Revenue	168,560,491	0.3352	0.3352	565,015	B	
	Dispatch	168,560,491	0.0000	0.0000	0		
	Debt Service	168,560,491	0.1752	0.1647	277,619		
Southern Boone County R-I SD	Operating Funds-Schools	146,003,533	4.1118	4.1118	6,003,373	BD	
	Debt Service	146,003,533	2.8725	1.6800	2,452,859		
Hallsville R-IV School District	Operating Funds-Schools	93,009,311	3.8537	3.8537	3,584,300	D	
	Debt Service	93,009,311	1.3025	1.1100	1,032,403		
Sturgeon R-V School District	Operating Funds-Schools	41,169,997	3.7664	3.7664	1,550,627	E	
	Debt Service	41,169,997	1.3510	1.2700	522,859		
Centralia R-VI School District	Operating Funds-Schools	111,853,889	3.4427	3.4427	3,850,794	D	
	Debt Service	111,853,889	0.9439	0.8900	995,500		
Harrisburg R-VIII School District	Operating Funds-Schools	44,929,134	4.0103	4.0103	1,801,793	E	
	Debt Service	44,929,134	1.6110	1.2412	557,660		
Columbia 93 School District	Operating Funds-Schools	2,604,077,057	5.4294	5.1269	133,508,427		
	Debt Service	2,604,077,057	1.1792	0.9719	25,309,025		
Boone County	General Revenue	3,034,556,093	0.3126	0.1200	3,641,467		
	Road & Bridge	3,034,556,093	0.2653	0.0500	1,517,278		
	Hospital	3,034,556,093	0.0000	0.0000	0		
	Developmental Dis. Board	3,034,556,093	0.1136	0.1136	3,447,256		
Buchanan							
Village of Agency	General Revenue	8,772,053	0.5140	0.5140	45,088		
Village of DeKalb	General Revenue	1,513,959	0.9356	0.9356	14,165		
City of Easton	General Revenue	1,657,291	0.4722	0.4722	7,826		
Village of Lewis & Clark	General Revenue	1,183,010	0.2130	0.2130	2,520		
	General Revenue-Temp	1,183,010	0.4011	0.4011	4,745		2019
Village of Rushville	General Revenue	1,509,105	0.4970	0.4970	7,500		
City of St. Joseph	General Revenue	1,064,550,608	0.6700	0.6700	7,132,489		
	Parks & Recreation	1,064,550,608	0.2000	0.2000	2,129,101		
	Museum	1,064,550,608	0.0500	0.0500	532,275		
	Health	1,064,550,608	0.2216	0.2216	2,359,044		
St. Joseph Public Library District	General Revenue	710,076,789	0.2661	0.2661	1,889,514		
	General Revenue-Temp	710,076,789	0.1478	0.1478	1,049,493		2039
Rolling Hills Consolidated PLD	General Revenue	895,260,550	0.1586	0.1586	1,419,883		
	General Revenue-Temp	895,260,550	0.1486	0.1486	1,330,357		2019
Colony Hills FPD	General Revenue	10,044,598	1.0889	1.0889	109,376		
	Fire	10,044,598	0.2470	0.2470	24,810		
Lake Contrary FPD	General Revenue	5,460,289	0.8400	0.8400	45,866		
	Fire	5,460,289	0.3826	0.3826	20,891		
Maxwell Heights FPD	General Revenue	23,802,462	1.1584	1.1584	275,728		

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Buchanan							
South Central Buchanan County FPD	General Revenue	92,995,938	0.3231	0.3231	300,470		
	General Revenue-Temp	92,995,938	0.3192	0.3192	296,843		2028
San Antonio FPD	General Revenue	19,709,325	0.2916	0.2916	57,472		
DeKalb FPD	General Revenue	30,379,488	0.2797	0.2797	84,971		
Easton FPD	General Revenue	13,045,070	0.2550	0.2550	33,265		
Southwest Buchanan County FPD	General Revenue	22,686,757	0.3913	0.3913	88,773		
St. Joseph Downtown CID	General Revenue	11,705,320	0.3658	0.3658	42,818		2041
East Buchanan County C-1 SD	Operating Funds-Schools	59,207,679	5.2776	5.2776	3,124,744	D	
Mid-Buchanan County R-V SD	Operating Funds-Schools	68,205,867	4.6759	4.6759	3,189,238	D	
	Debt Service	68,205,867	0.9608	0.9000	613,853		
Buchanan County R-IV SD	Operating Funds-Schools	22,182,145	4.2785	4.2785	949,063	D	
	Debt Service	22,182,145	1.6147	0.9986	221,511		
St. Joseph School District	Operating Funds-Schools	1,111,512,145	3.6741	3.1228	34,710,301		
	Operating Funds-Temp	1,111,512,145	0.6266	0.6100	6,780,224	A	2023
	Debt Service	1,111,512,145	0.5675	0.5076	5,642,036		
Buchanan County	General Revenue	1,319,823,077	0.3500	0.0751	991,187		
	Road & Bridge	1,319,823,077	0.2900	0.2900	3,827,487		
	Developmental Dis. Board	1,319,823,077	0.1000	0.1000	1,319,823		
Butler							
Naylor-Neelyville AD	General Revenue	46,128,902	0.2977	0.2977	137,326		
City of Fisk	General Revenue	2,309,405	0.7940	0.7940	18,337		
City of Neelyville	General Revenue	2,617,895	0.6662	0.6662	17,440		
City of Poplar Bluff	General Revenue	256,341,318	0.5208	0.5172	1,325,797		
	Pension	256,341,318	0.0983	0.0976	250,189		
City of Qulin	General Revenue	3,101,314	0.6197	0.6197	19,219		
Poplar Bluff Municipal PLD	General Revenue	256,341,318	0.0000	0.0000	0		
Butler County FPD	General Revenue	349,140,349	0.2396	0.2396	836,540		
Qulin Community FPD	General Revenue	18,509,204	0.1600	0.1600	29,615		
Butler County Health Department	General Revenue	623,785,401	0.0963	0.0961	599,458		
Three Rivers Community College	General Revenue	935,624,463	0.2355	0.2355	2,203,396		
Neelyville R-IV School District	Operating Funds-Schools	40,715,135	2.9668	2.9668	1,207,937	D	
Poplar Bluff R-I School District	Operating Funds-Schools	479,995,619	3.4704	3.4704	16,657,768	D	
	Debt Service	479,995,619	0.3816	0.1800	863,992		
Twin Rivers R-X School District	Operating Funds-Schools	67,973,300	3.0647	3.0647	2,083,178	D	
Butler County	General Revenue	623,785,401	0.2295	0.0898	560,159		
	Road & Bridge	623,785,401	0.1662	0.0265	165,303		
	Developmental Dis. Board	623,785,401	0.0965	0.0965	601,953		
	Senior Services	623,785,401	0.0480	0.0480	299,417		
Caldwell							
Caldwell County Ambulance District	General Revenue	171,512,068	0.1707	0.0830	142,355		
Golden Age NHD	General Revenue	55,154,559	0.1056	0.1056	58,243		
City of Braymer	General Revenue	5,743,982	0.8269	0.8269	47,497		
City of Breckenridge	General Revenue	2,233,484	0.9305	0.9305	20,783		
	Lights	2,233,484	0.0931	0.0931	2,079		
	Library	2,233,484	0.0465	0.0465	1,039		
City of Cowgill	General Revenue	1,086,622	0.9518	0.9518	10,342		
City of Hamilton	General Revenue	17,315,608	0.9204	0.9204	159,373		
	Parks & Recreation	17,315,608	0.2483	0.2483	42,995		

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Caldwell							
City of Hamilton	Library	17,315,608	0.3001	0.3001	51,964		
	Debt Service	17,315,608	1.0736	1.0736	185,900		
City of Kidder	General Revenue	2,143,138	0.9629	0.9629	20,636		
City of Kingston	General Revenue	1,509,293	0.9929	0.9929	14,986		
City of Polo	General Revenue	4,945,311	0.7227	0.7227	35,740		
	Debt Service	4,945,311	0.2555	0.2555	12,635		
Caldwell County Library District	General Revenue	151,998,669	0.1108	0.1108	168,415		
Breckenridge Township Caldwell Co	General Revenue	8,799,044	0.0926	0.0926	8,148		
	Road & Bridge	8,799,044	0.4636	0.4636	40,792		
	Special Road and Bridge	8,799,044	0.2978	0.2978	26,204		2019
Davis Township Caldwell County	General Revenue	18,937,659	0.0746	0.0746	14,127		
	Road & Bridge	18,937,659	0.3561	0.3561	67,437		
	Special Road and Bridge	18,937,659	0.1607	0.1607	30,433		2019
Fairview Township Caldwell County	General Revenue	4,568,218	0.0942	0.0942	4,303		
	Road & Bridge	4,568,218	0.4704	0.4704	21,489		
	Special Road and Bridge	4,568,218	0.3134	0.3134	14,317		2020
Gomer Township Caldwell County	General Revenue	8,066,124	0.0920	0.0920	7,421		
	Road & Bridge	8,066,124	0.4571	0.4571	36,870		
	Special Road and Bridge	8,066,124	0.3472	0.3472	28,006		2020
Grant Township Caldwell County	General Revenue	30,065,692	0.0834	0.0834	25,075		
	Road & Bridge	30,065,692	0.3400	0.3400	102,223		
	Special Road and Bridge	30,065,692	0.2271	0.2271	68,279		2019
Hamilton Township Caldwell County	General Revenue	27,397,311	0.0701	0.0701	19,206		
	Road & Bridge	27,397,311	0.3105	0.3105	85,069		
Kidder Township Caldwell County	General Revenue	14,654,454	0.0890	0.0890	13,042		
	Road & Bridge	14,654,454	0.3656	0.3656	53,577		
	Special Road and Bridge	14,654,454	0.2992	0.2992	43,846		2019
Kingston Township Caldwell County	General Revenue	7,892,231	0.0982	0.0982	7,750		
	Road & Bridge	7,892,231	0.4912	0.4912	38,767		
	Special Road and Bridge	7,892,231	0.3500	0.3500	27,623		2019
Lincoln Township Caldwell County	General Revenue	15,371,482	0.0698	0.0698	10,729		
	Road & Bridge	15,371,482	0.3073	0.3073	47,237		
	Special Road and Bridge	15,371,482	0.3053	0.3053	46,929		2019
Mirabile Township Caldwell County	General Revenue	6,590,274	0.0931	0.0931	6,136		
	Road & Bridge	6,590,274	0.4407	0.4407	29,043		
	Special Road and Bridge	6,590,274	0.3292	0.3292	21,695		2020
New York Township Caldwell County	General Revenue	7,219,045	0.0752	0.0752	5,429		
	Road & Bridge	7,219,045	0.3595	0.3595	25,952		
	Special Road and Bridge	7,219,045	0.3035	0.3035	21,910		2019
Rockford Township Caldwell County	General Revenue	21,863,435	0.0618	0.0618	13,512		
	Road & Bridge	21,863,435	0.2718	0.2718	59,425		
	Special Road and Bridge	21,863,435	0.3181	0.3181	69,548		2020
Hamilton FPD	General Revenue	43,460,701	0.1763	0.1763	76,621		
Shoal Creek FPD	General Revenue	40,283,190	0.3000	0.3000	120,850	A	
Caldwell County Health Department	General Revenue	171,512,068	0.2211	0.2211	379,213		
Breckenridge R-I School District	Operating Funds-Schools	7,471,943	4.6113	4.6113	344,554	D	
Hamilton R-II School District	Operating Funds-Schools	44,225,675	3.1167	3.1167	1,378,382	D	
	Operating Funds-Temp	44,225,675	0.3716	0.3647	161,291		2026

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Caldwell							
Hamilton R-II School District	Debt Service	44,225,675	1.5245	1.3800	610,314		
New York R-IV School District	Operating Funds-Schools	4,560,370	4.9299	4.5900	209,321		
Cowgill R-VI School District	Operating Funds-Schools	4,580,660	3.6059	3.6059	165,174	D	
Polo R-VII School District	Operating Funds-Schools	27,609,620	3.4973	3.4973	965,591	D	
	Debt Service	27,609,620	1.5683	1.1101	306,494		
Mirabile C-1 School District	Operating Funds-Schools	5,798,620	4.4179	4.4179	256,177	D	
Braymer C-4 School District	Operating Funds-Schools	21,058,848	2.7500	2.7500	579,118	D	
Kingston 42 School District	Operating Funds-Schools	5,209,970	4.5692	4.5692	238,054	D	
Caldwell County	General Revenue	171,512,068	0.3319	0.2451	420,376		
	Senior Services	171,512,068	0.0500	0.0500	85,756	A	
Callaway							
Callaway County Ambulance District	General Revenue	902,798,841	0.1201	0.0140	126,392		
City of Auxvasse	General Revenue	10,907,332	0.6387	0.6387	69,665		
City of Fulton	General Revenue	139,769,732	0.5022	0.5022	701,924		
Village of Kingdom City	General Revenue	13,018,197	0.2130	0.2130	27,729		
City of Mokane	General Revenue	1,346,409	0.7664	0.7664	10,319		
City of New Bloomfield	General Revenue	6,920,271	0.2960	0.2960	20,484		
	Debt Service	6,920,271	0.6083	0.6083	42,096		
Callaway County Library District	General Revenue	902,798,841	0.1957	0.1957	1,766,777		
Millersburg FPD	General Revenue	42,301,024	0.4354	0.4354	184,179		
Central Callaway FPD	General Revenue	82,603,383	0.3905	0.3905	322,566		
Holts Summit FPD	General Revenue	143,153,970	0.2189	0.2189	313,364		
	Debt Service	143,153,970	0.1810	0.1810	259,109		
South Callaway FPD	General Revenue	305,886,807	0.2005	0.2005	613,303		
North Callaway FPD	General Revenue	110,542,990	0.2547	0.2547	281,553		
New Bloomfield FPD	General Revenue	48,055,494	0.2426	0.2426	116,583		
North Callaway County R-I SD	Operating Funds-Schools	119,064,392	3.6831	3.6831	4,385,261	D	
	Debt Service	119,064,392	1.0060	0.9771	1,163,378		
New Bloomfield R-III SD	Operating Funds-Schools	57,494,660	3.3323	3.3323	1,915,895	BD	
	Debt Service	57,494,660	1.0684	1.0381	596,852		
Fulton 58 School District	Operating Funds-Schools	229,026,802	3.8464	3.8464	8,809,287	D	
	Debt Service	229,026,802	0.8802	0.7612	1,743,352		
South Callaway County R-II SD	Operating Funds-Schools	306,563,829	2.7500	2.7500	8,430,505		
Callaway County	General Revenue	902,798,841	0.3290	0.3290	2,970,208		
	Road & Bridge	902,798,841	0.2547	0.2547	2,299,429		
	Developmental Dis. Board	905,600,625	0.0976	0.0976	883,866		
Camden							
Cam-MO Ambulance District	General Revenue	676,451,739	0.1070	0.0457	309,138		
Camden County Ambulance District	General Revenue	620,429,580	0.2791	0.2791	1,731,619		
Horseshoe Bend SRD 1 Camden County	Special Road and Bridge	312,276,735	0.3552	0.3552	1,109,207		2020
City of Linn Creek	General Revenue	5,668,928	0.0000	0.0000	0		
City of Stoutland	General Revenue	1,136,747	0.7632	0.7632	8,676		
Camden County Library District	General Revenue	1,729,077,450	0.0961	0.0961	1,661,643		
Osage Beach FPD	General Revenue	514,744,517	0.7773	0.7773	4,001,109		
Sunrise Beach FPD	General Revenue	363,832,751	0.5082	0.5082	1,848,998		
	Debt Service	363,832,751	0.1413	0.1413	514,096		
Mid-County FPD Camden County	General Revenue	324,966,185	0.6032	0.6032	1,960,196		
Northwest FPD Camden County	General Revenue	67,871,997	0.2615	0.2615	177,485		

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Camden							
Southwest Camden County FPD	General Revenue	27,992,104	0.5529	0.5529	154,768	B	
Tri-County FPD	General Revenue	21,321,496	0.2986	0.2986	63,666		
Camelot Sewer District	Debt Service	21,528,771	0.1024	0.1024	22,045		
Stoutland R-II School District	Operating Funds-Schools	27,932,352	3.4864	3.4864	973,834	D	
Camdenton R-III School District	Operating Funds-Schools	1,208,517,105	2.6600	2.6600	32,146,555	D	
	Debt Service	1,208,517,105	0.3306	0.3100	3,746,403		
Climax Springs R-IV School District	Operating Funds-Schools	96,708,396	2.7500	2.7500	2,659,481		
Macks Creek R-V School District	Operating Funds-Schools	34,763,080	3.4755	3.4755	1,208,191	BD	
	Debt Service	34,763,080	0.6097	0.3645	126,711		
Camden County	General Revenue	1,729,077,450	0.2114	0.1100	1,901,985		
	Road & Bridge	1,729,077,450	0.1443	0.1100	1,901,985		
	Developmental Dis. Board	1,729,077,450	0.0575	0.0575	994,220		
	Senior Services	1,729,077,450	0.0459	0.0459	793,647		
Cape Girardeau							
Cape Girardeau SRD	Road & Bridge	828,817,890	0.0000	0.0000	0		
City of Cape Girardeau	General Revenue	674,297,667	0.3044	0.3044	2,052,562		
	Health	674,297,667	0.0570	0.0570	384,350		
City of Delta	General Revenue	3,282,078	0.7225	0.7225	23,713		
Village of Gordonville	General Revenue	8,781,739	0.4330	0.4330	38,025		
City of Jackson	General Revenue	239,636,433	0.5854	0.5854	1,402,832		
	Parks & Recreation	239,636,433	0.1228	0.1228	294,274		
	Cemetery	239,636,433	0.0756	0.0756	181,165		
	Band	239,636,433	0.0756	0.0756	181,165		
Village of Oak Ridge	General Revenue	1,699,218	0.3526	0.3526	5,991		
Village of Pocahontas	General Revenue	663,251	0.5749	0.5749	3,813		
Village of Whitewater	General Revenue	633,177	0.8232	0.8232	5,212		
Village of Old Appleton	General Revenue	973,734	0.4004	0.4004	3,899		
Town of Allenville	General Revenue	370,569	0.4879	0.4879	1,808		
Cape Girardeau Library District	General Revenue	568,563,861	0.1652	0.1652	939,267		
	General Revenue-Temp	568,563,861	0.1500	0.1500	852,846		2026
Cape Girardeau County PLD	General Revenue	841,577,172	0.0729	0.0729	613,510		
East County Area FPD	General Revenue	101,023,556	0.3000	0.3000	303,071		
Delta FPD	General Revenue	18,113,698	0.2810	0.2810	50,899		
Fruitland Area FPD	General Revenue	117,727,891	0.7701	0.7701	906,622		
North Cape County Rural FPD	General Revenue	32,635,511	0.2561	0.2561	83,580		
Gordonville FPD	General Revenue	100,521,671	0.3000	0.3000	301,565		
Millersville Rural FPD	General Revenue	76,781,869	0.2763	0.2763	212,148		
Whitewater FPD	General Revenue	16,008,852	0.3890	0.3890	62,274		
Cape Girardeau SBD	General Revenue	3,586,360	0.7076	0.7076	25,377		
Cape Girardeau County Public Health	General Revenue	1,410,141,033	0.0960	0.0960	1,353,735		
Jackson R-II School District	Operating Funds-Schools	555,975,260	3.4374	3.4374	19,111,094	D	
	Debt Service	555,975,260	0.8384	0.3626	2,015,966		
Delta R-V School District	Operating Funds-Schools	24,397,072	3.5000	3.5000	853,898	D	
	Debt Service	24,397,072	1.0018	0.9500	231,772		
Oak Ridge R-VI School District	Operating Funds-Schools	30,365,345	2.9170	2.9170	885,757	D	
	Debt Service	30,365,345	1.1167	0.7652	232,356		
Cape Girardeau 63 School District	Operating Funds-Schools	685,307,387	3.5177	3.4920	23,930,934	D	
	Debt Service	685,307,387	0.7546	0.6647	4,555,238		

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Cape Girardeau						
Nell Holcomb R-IV School District	Operating Funds-Schools	54,514,130	3.6000	3.6000	1,962,509 D	
Cape Girardeau County	General Revenue	1,410,141,033	0.3358	0.0670	944,794	
	Road & Bridge	581,323,143	0.0000	0.0000	0	
	Developmental Dis. Board	1,410,141,033	0.0553	0.0553	779,808	
	Mental Health	1,410,141,033	0.0772	0.0772	1,088,629	
	Senior Services	1,410,141,033	0.0478	0.0478	674,047	
Carroll						
Carroll County Ambulance District	General Revenue	233,919,519	0.2725	0.2725	637,431	
Big Creek Watershed Subdistrict	General Revenue	18,690,580	0.2600	0.2600	48,596	
City of Bogard	General Revenue	1,133,719	1.0000	1.0000	11,337	
City of Bosworth	General Revenue	1,694,483	0.9808	0.9808	16,619	
Town of Carrollton	General Revenue	33,768,040	0.8867	0.8867	299,421	
	Parks & Recreation	33,768,040	0.3000	0.3000	101,304	
	Library	33,768,040	0.3493	0.3493	117,952	
City of De Witt	General Revenue	632,742	0.9868	0.9868	6,244	
City of Hale	General Revenue	2,904,542	0.3807	0.3807	11,058	
	Lights	2,904,542	0.2998	0.2998	8,708	
	Streets	2,904,542	0.1730	0.1730	5,025	
City of Norborne	General Revenue	7,158,693	0.7714	0.7714	55,222	
	Parks & Recreation	7,158,693	0.1874	0.1874	13,415	
	Library	7,158,693	0.1432	0.1432	10,251	
	General Revenue-Temp	7,158,693	0.3000	0.3000	21,476	2020
Village of Tina	General Revenue	1,144,910	1.0000	1.0000	11,449	
Carrollton Township Carroll County	General Revenue	54,221,822	0.1000	0.1000	54,222	
	Road & Bridge	54,221,822	0.4307	0.4307	233,533	
De Witt Township Carroll County	General Revenue	11,746,635	0.0825	0.0825	9,691	
	Road & Bridge	11,746,635	0.3750	0.3750	44,050	
	Special Road and Bridge	11,746,635	0.3451	0.3451	40,538	2020
Egypt Township Carroll County	General Revenue	16,956,938	0.0949	0.0949	16,092	
	Road & Bridge	16,956,938	0.3478	0.3478	58,976	
	Special Road and Bridge	16,956,938	0.3496	0.3496	59,281	2020
Eugene Township Carroll County	General Revenue	9,644,967	0.0970	0.0970	9,356	
	Road & Bridge	9,644,967	0.4845	0.4845	46,730	
	Special Road and Bridge	9,644,967	0.3500	0.3500	33,757	2020
Fairfield Township Carroll County	General Revenue	3,762,677	0.0806	0.0806	3,033	
	Road & Bridge	3,762,677	0.3931	0.3931	14,791	
	Special Road and Bridge	3,762,677	0.3562	0.3562	13,403	2020
Hill Township Carroll County	General Revenue	12,236,067	0.0616	0.0616	7,537	
	Road & Bridge	12,236,067	0.3083	0.3083	37,724	
	Special Road and Bridge	12,236,067	0.3432	0.3432	41,994	2020
Hurricane Township Carroll County	General Revenue	10,797,889	0.0907	0.0907	9,794	
	Road & Bridge	10,797,889	0.4033	0.4033	43,548	
	Special Road and Bridge	10,797,889	0.3607	0.3607	38,948	2020
Leslie Township Carroll County	General Revenue	10,396,422	0.0676	0.0676	7,028	
	Road & Bridge	10,396,422	0.3235	0.3235	33,632	
	Special Road and Bridge	10,396,422	0.3367	0.3367	35,005	2020
Moss Creek Township Carroll County	General Revenue	10,128,155	0.0856	0.0856	8,670	
	Road & Bridge	10,128,155	0.4281	0.4281	43,359	

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Carroll							
Moss Creek Township Carroll County	Special Road and Bridge	10,128,155	0.3480	0.3480	35,246		2020
Prairie Township Carroll County	General Revenue	6,317,093	0.0733	0.0733	4,630		
	Road & Bridge	6,317,093	0.3483	0.3483	22,002		
	Special Road and Bridge	6,317,093	0.3486	0.3486	22,021		2020
Ridge Township Carroll County	General Revenue	15,853,726	0.0681	0.0681	10,796		
	Road & Bridge	15,853,726	0.3240	0.3240	51,366		
	Special Road and Bridge	15,853,726	0.3476	0.3476	55,108		2020
Rockford Township Carroll County	General Revenue	6,527,595	0.1000	0.1000	6,528		
	Road & Bridge	6,527,595	0.4589	0.4589	29,955		
	Special Road and Bridge	6,527,595	0.3536	0.3536	23,082		2020
Stokes Mound Township Carroll Co	General Revenue	7,116,140	0.0969	0.0969	6,896		
	Road & Bridge	7,116,140	0.4841	0.4841	34,449		
	Special Road and Bridge	7,116,140	0.3527	0.3527	25,099		2020
Sugartree Township Carroll County	General Revenue	2,210,018	0.0879	0.0879	1,943		
	Road & Bridge	2,210,018	0.4391	0.4391	9,704		
	Special Road and Bridge	2,210,018	0.3536	0.3536	7,815		2020
Trotter Township Carroll County	General Revenue	5,547,507	0.0921	0.0921	5,109		
	Road & Bridge	5,547,507	0.4611	0.4611	25,580		
	Special Road and Bridge	5,547,507	0.3503	0.3503	19,433		2020
Van Horn Township Carroll County	General Revenue	18,827,515	0.0943	0.0943	17,754		
	Road & Bridge	18,827,515	0.4580	0.4580	86,230		
	Special Road and Bridge	18,827,515	0.0981	0.0981	18,470		2020
Wakenda Township Carroll County	General Revenue	9,887,041	0.0997	0.0997	9,857		
	Road & Bridge	9,887,041	0.4985	0.4985	49,287		
	Special Road and Bridge	9,887,041	0.3820	0.3820	37,768		2020
Washington Township Carroll County	General Revenue	11,084,836	0.0526	0.0526	5,831		
	Road & Bridge	11,084,836	0.2460	0.2460	27,269		
	Special Road and Bridge	11,084,836	0.3496	0.3496	38,753		2020
Combs Township Carroll County	General Revenue	10,656,476	0.0669	0.0669	7,129		
	Road & Bridge	10,656,476	0.3345	0.3345	35,646		
	Special Road and Bridge	10,656,476	0.3437	0.3437	36,626		2020
North Central Carroll FPD	General Revenue	42,514,182	0.2253	0.2253	95,784		
Carroll County FPD	General Revenue	85,739,994	0.2567	0.2567	220,095		
Norborne FPD	General Revenue	23,774,192	0.2903	0.2903	69,016		
Hale FPD	General Revenue	20,148,700	0.2876	0.2876	57,948		
Carroll County Health Department	General Revenue	233,919,519	0.0954	0.0954	223,159		
Hale R-I School District	Operating Funds-Schools	9,293,950	4.0016	4.0016	371,907	D	
Tina-Avalon R-II School District	Operating Funds-Schools	11,677,962	3.7470	3.7470	437,573	D	
Bosworth R-V School District	Operating Funds-Schools	8,526,261	4.0522	4.0522	345,501	D	
Carrollton R-VII School District	Operating Funds-Schools	68,234,036	3.5744	3.5744	2,438,957	D	
	Operating Funds-Temp	68,234,036	1.3407	1.3407	914,814		2026
Norborne R-VIII School District	Operating Funds-Schools	17,901,065	4.1402	4.1402	741,140	D	
	Debt Service	17,901,065	0.5523	0.5300	94,876		
Carroll County	General Revenue	233,919,519	0.3499	0.2655	621,056		
	Johnson Grass	233,919,519	0.0099	0.0099	23,158		
	Developmental Dis. Board	233,919,519	0.0954	0.0954	223,159		
Carter							
East Carter Ambulance District	General Revenue	33,719,531	0.3627	0.3627	122,301		

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Carter						
West Carter Ambulance District	General Revenue	41,036,031	0.4267	0.4267	175,101	
City of Grandin	General Revenue	1,608,650	0.8829	0.8829	14,203	
Carter County Library District	General Revenue	74,755,562	0.1792	0.1792	133,962	
Ellsinore Rural FPD	General Revenue	19,121,709	0.1358	0.1358	25,967	
Eastwood FPD	General Revenue	2,797,894	0.2387	0.2387	6,679	
Fremont FPD	General Revenue	3,152,806	0.3369	0.3369	10,622	
Carter County Health Center	General Revenue	74,755,562	0.2241	0.2241	167,527	
East Carter County R-II SD	Operating Funds-Schools	42,173,190	2.7500	2.7500	1,159,763	D
Van Buren R-I School District	Operating Funds-Schools	42,714,664	3.1084	3.1084	1,327,743	D
Carter County	General Revenue	74,755,562	0.2963	0.0979	73,186	
	Road & Bridge	74,755,562	0.2153	0.2153	160,949	
	Developmental Dis. Board	74,755,562	0.0765	0.0765	57,188	
	Senior Services	74,755,562	0.0268	0.0268	20,034	
Cass						
Cass Medical Center	General Revenue	1,806,892,480	0.1247	0.1247	2,253,195	
Mt. Pleasant SRD Cass County	Road & Bridge	331,941,857	0.1828	0.1828	606,790	
City of Archie	General Revenue	12,885,681	0.6997	0.6997	90,161	
City of Belton	General Revenue	297,863,302	0.4883	0.4883	1,454,467	
	Parks & Recreation	297,863,302	0.2173	0.2173	647,257	
	Debt Service	297,863,302	1.7315	1.3305	3,963,071	
City of Cleveland	General Revenue	10,924,652	0.4628	0.4628	50,559	
City of Creighton	General Revenue	2,153,147	0.9521	0.9521	20,500	
City of Drexel	General Revenue	10,815,379	0.6484	0.6484	70,127	
City of East Lynne	General Revenue	2,698,314	0.9043	0.9043	24,401	
	Debt Service	2,698,314	1.4046	1.4046	37,901	
City of Freeman	General Revenue	5,397,020	0.5362	0.5362	28,939	
City of Garden City	General Revenue	15,885,338	0.4004	0.4004	63,605	
City of Harrisonville	General Revenue	147,119,606	0.5240	0.5240	770,907	
	Parks & Recreation	147,119,606	0.1185	0.1185	174,337	
City of Lake Winnebago	General Revenue	42,999,892	0.8727	0.8727	375,260	
	Debt Service	42,999,892	0.9379	0.8155	350,664	
City of Peculiar	General Revenue	76,320,257	0.4097	0.4097	312,684	
	Debt Service	76,320,257	0.7525	0.7525	574,310	
City of Pleasant Hill	General Revenue	127,032,557	0.3387	0.3387	430,259	
	Parks & Recreation	127,032,557	0.0677	0.0677	86,001	
	Streets	127,032,557	0.1269	0.1269	161,204	
	Health	127,032,557	0.0677	0.0677	86,001	
	Debt Service	127,032,557	1.1481	0.5934	753,811	
City of Raymore	General Revenue	375,940,446	0.4197	0.4197	1,577,822	
	Parks & Recreation	375,940,446	0.1130	0.1130	424,813	
	Debt Service	375,940,446	0.7170	0.7170	2,695,493	
City of Strasburg	General Revenue	1,067,620	0.9911	0.9911	10,581	
Village of West Line	General Revenue	1,691,491	0.4745	0.4745	8,026	
Village of Baldwin Park	General Revenue	473,852	0.4823	0.4823	2,285	
City of Lake Annette	General Revenue	694,462	0.1820	0.1820	1,264	
Village of Riverview Estates	General Revenue	1,300,252	0.4700	0.4700	6,111	
Cass County Public Library District	General Revenue	1,806,892,480	0.1376	0.1376	2,486,284	
Central Cass County FPD	General Revenue	141,109,919	0.5422	0.5422	765,098	

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Cass							
Central Cass County FPD	Ambulance	141,109,919	0.2343	0.2343	330,621		
	Debt Service	141,109,919	0.2035	0.1500	211,665		
Garden City FPD	General Revenue	50,880,815	0.2099	0.2099	106,799		
	Ambulance	50,880,815	0.2863	0.2863	145,672		
	Debt Service	50,880,815	0.3297	0.3297	167,754		
South Metropolitan FPD	General Revenue	481,955,175	0.5157	0.4366	2,104,216		
	Ambulance	481,955,175	0.4040	0.3421	1,648,769		
	Dispatch	481,955,175	0.0429	0.0363	174,950		
	Debt Service	481,955,175	0.2517	0.2456	1,183,682		
West Peculiar FPD	General Revenue	137,927,824	0.6825	0.6825	941,357		
	Ambulance	137,927,824	0.2736	0.2736	377,371		
	Dispatch	137,927,824	0.0456	0.0456	62,895		
	Ambulance/EMS	137,927,824	0.2736	0.2736	377,371		
	Debt Service	137,927,824	0.2086	0.2086	287,717		
Creighton FPD	General Revenue	11,515,083	0.2533	0.2533	29,168		
	Ambulance	11,515,083	0.2944	0.2944	33,900		
Western Cass FPD	General Revenue	48,705,269	0.3758	0.3758	183,034		
	Dispatch	48,705,269	0.0443	0.0443	21,576		
	Debt Service	48,705,269	0.3358	0.3000	146,116		
Dolan & West Dolan FPD	General Revenue	39,756,050	0.4883	0.4883	194,129		
	Debt Service	39,756,050	0.6986	0.5213	207,248		
East Lynne-Gunn City FPD	General Revenue	23,885,687	0.2842	0.2842	67,883		
Mount Pleasant FPD	General Revenue	108,426,545	0.2723	0.2723	295,245		
Pleasant Hill FPD	General Revenue	216,135,870	0.4181	0.3699	799,487		
	Ambulance	216,135,870	0.2787	0.2305	498,193		
Dikeland Sewer District	General Revenue	1,141,530	0.0000	0.0000	0		
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	9,650	0.5803	0.5803	56		2040
Y Belton CID	General Revenue	580	1.3793	1.3793	8		2043
Y Belton Two CID	General Revenue	270	1.4815	1.4815	4		2047
Cass County R-V School District	Operating Funds-Schools	39,457,617	3.7194	3.7194	1,467,587	D	
	Debt Service	39,457,617	1.5424	0.7200	284,095		
Strasburg C-3 School District	Operating Funds-Schools	16,011,922	3.9199	3.9199	627,651	D	
	Debt Service	16,011,922	1.6075	1.5501	248,201		
Raymore-Peculiar R-II SD	Operating Funds-Schools	642,263,823	4.1492	4.1492	26,648,811	D	
	Debt Service	642,263,823	1.0331	1.0331	6,635,228		
Sherwood Cass R-VIII SD	Operating Funds-Schools	63,030,426	4.2248	4.2248	2,662,909	BD	
	Debt Service	63,030,426	1.1454	0.8700	548,365		
East Lynne 40 School District	Operating Funds-Schools	17,439,639	4.5712	4.5712	797,201	D	
Pleasant Hill R-III School District	Operating Funds-Schools	183,930,960	3.5288	3.5288	6,490,556	D	
	Debt Service	183,930,960	0.9623	0.9623	1,769,968		
Harrisonville R-IX School District	Operating Funds-Schools	230,138,288	3.9000	3.9000	8,975,393	D	
	Debt Service	230,138,288	1.2202	1.1772	2,709,188		
Drexel R-IV School District	Operating Funds-Schools	22,104,744	4.1713	4.1713	922,055	D	
	Debt Service	22,104,744	1.8722	1.0672	235,902		
Midway R-I School District	Operating Funds-Schools	49,277,524	4.9877	4.9877	2,457,815	D	
	Debt Service	49,277,524	1.1122	0.8200	404,076		
Belton 124 School District	Operating Funds-Schools	394,294,061	3.6604	3.6604	14,432,740	D	
	Debt Service	394,294,061	1.7581	1.7515	6,906,060		

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Cass							
Cass County	Road & Bridge	1,474,935,470	0.2108	0.2108	3,109,164		
	Developmental Dis. Board	1,806,892,480	0.0458	0.0458	827,557		
Cedar							
Cedar County Memorial Hospital	General Revenue	182,400,023	0.1528	0.1528	278,707		
Bear Creek SRD Cedar County	Special Road and Bridge	6,519,025	0.3572	0.3572	23,286		2021
Bethel SRD Cedar County	Special Road and Bridge	1,101,712	0.3657	0.3657	4,029		2021
Caplinger Mills SRD Cedar County	Special Road and Bridge	3,695,056	0.3638	0.3638	13,443		2021
Cedar Hall SRD Cedar County	Special Road and Bridge	1,380,215	0.3500	0.3500	4,831		2021
Eldorado Springs SRD Cedar County	Special Road and Bridge	52,620,433	0.3607	0.3607	189,802		2021
Independence SRD Cedar County	Special Road and Bridge	1,202,118	0.3564	0.3564	4,284		2021
Jerico Springs SRD Cedar County	Special Road and Bridge	878,466	0.3582	0.3582	3,147		2021
Koncord SRD Cedar County	Special Road and Bridge	4,889,398	0.3573	0.3573	17,470		2021
Madison SRD Cedar County	Special Road and Bridge	1,952,070	0.3656	0.3656	7,137		2021
Masters SRD Cedar County	Special Road and Bridge	2,355,513	0.3607	0.3607	8,496		2021
Omer SRD Cedar County	Special Road and Bridge	1,103,971	0.3650	0.3650	4,029		2020
Rowland SRD Cedar County	Special Road and Bridge	6,764,915	0.3568	0.3568	24,137		2021
Dogwood SRD Cedar County	Special Road and Bridge	952,410	0.3631	0.3631	3,458	A	2022
City of El Dorado Springs	General Revenue	35,093,295	0.5854	0.5854	205,436		
	Band	35,093,295	0.1408	0.1408	49,411		
	Parks	35,093,295	0.2166	0.2166	76,012		
	Recreation	35,093,295	0.1000	0.1000	35,093		
Village of Jerico Springs	General Revenue	801,518	0.5000	0.5000	4,008		
City of Stockton	General Revenue	26,336,140	0.4427	0.4427	116,590		
Village of Umber View Heights	General Revenue	759,515	0.2629	0.2629	1,997		
Cedar County Library District	General Revenue	182,400,023	0.0815	0.0815	148,656		
Cedar County Chapel Hills FPD	General Revenue	24,091,672	0.2000	0.2000	48,183		
Korth Special Road Subdistrict	Special Road and Bridge	2,953,073	0.3620	0.3620	10,690		2021
Stockton R-I School District	Operating Funds-Schools	97,522,772	2.9067	2.9067	2,834,694	D	
	Debt Service	97,522,772	0.6697	0.6142	598,985		
El Dorado Springs R-II SD	Operating Funds-Schools	96,050,604	3.2588	3.2588	3,130,097	D	
	Debt Service	96,050,604	0.6007	0.5400	518,673		
Cedar County	General Revenue	182,400,023	0.3258	0.2100	383,040		
	Road & Bridge	182,400,023	0.2443	0.2394	436,666		
	Senior Services	182,400,023	0.0500	0.0496	90,470		
Chariton							
Chariton County Ambulance District	General Revenue	243,850,053	0.2600	0.2600	634,010		
City of Brunswick	General Revenue	7,387,888	0.9311	0.9311	68,789		
Village of Dalton	General Revenue	579,693	0.4648	0.4648	2,694		
City of Keytesville	General Revenue	3,146,762	0.8832	0.8832	27,792		
	Parks & Recreation	3,146,762	0.1942	0.1942	6,111		
City of Mendon	General Revenue	1,575,972	0.9963	0.9963	15,701		
Village of Rothville	General Revenue	292,959	1.0000	1.0000	2,930		
City of Salisbury	General Revenue	17,689,568	0.7090	0.7090	125,419		
	Parks & Recreation	17,689,568	0.1699	0.1699	30,055		
	Library	17,689,568	0.0943	0.0943	16,681		
	Museum	17,689,568	0.1299	0.1299	22,979		
City of Sumner	General Revenue	1,006,816	1.0000	1.0000	10,068		
	Streets	1,006,816	0.2586	0.2586	2,604	A	2021

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Chariton							
City of Triplett	General Revenue	311,540	1.0000	1.0000	3,115		
Bee Branch Township Chariton County	Road & Bridge	6,152,897	0.4748	0.4748	29,214		
	Special Road and Bridge	6,152,897	0.3500	0.3500	21,535	A	2022
Bowling Green Township Chariton Co	Road & Bridge	12,931,269	0.2188	0.2188	28,294		
	Special Road and Bridge	12,931,269	0.3163	0.3163	40,902	A	2022
Brunswick Township Chariton County	Road & Bridge	35,001,463	0.4634	0.4634	162,197		
	Special Road and Bridge	35,001,463	0.2355	0.2355	82,428		2020
Chariton Township Chariton County	Road & Bridge	10,229,748	0.4634	0.4634	47,405	B	
	Special Road and Bridge	10,229,748	0.1639	0.1639	16,767		2020
Clark Township Chariton County	Road & Bridge	7,799,947	0.4713	0.4713	36,761		
	Special Road and Bridge	7,799,947	0.3373	0.3373	26,309		2020
Cockrell Township Chariton County	Road & Bridge	4,322,562	0.4438	0.4438	19,184		
	Special Road and Bridge	4,322,562	0.3457	0.3457	14,943	A	2022
Cunningham Township Chariton County	Parks & Recreation	9,725,798	0.0490	0.0490	4,766		
	Road & Bridge	9,725,798	0.4212	0.4212	40,965		
	Special Road and Bridge	9,725,798	0.2552	0.2552	24,820		2020
Keytesville Township Chariton Co	Road & Bridge	32,268,941	0.3404	0.3404	109,843		
	Special Road and Bridge	32,268,941	0.3356	0.3356	108,295	A	2022
Mendon Township Chariton County	Road & Bridge	10,454,352	0.4859	0.4859	50,798		
	Special Road and Bridge	10,454,352	0.3401	0.3401	35,555		2020
Musselfork Township Chariton County	Road & Bridge	8,756,545	0.3111	0.3111	27,242		
	Special Road and Bridge	8,756,545	0.2085	0.2085	18,257		2020
Salisbury Township Chariton County	Road & Bridge	67,482,497	0.5000	0.5000	337,412		
	Special Road and Bridge	67,482,497	0.1191	0.1191	80,372	A	2022
Salt Creek Township Chariton County	Road & Bridge	6,350,808	0.4904	0.4904	31,144		
	Special Road and Bridge	6,350,808	0.3433	0.3433	21,802		2020
Triplett Township Chariton County	Road & Bridge	18,005,802	0.5000	0.5000	90,029		
	Special Road and Bridge	18,005,802	0.3095	0.3095	55,728		2020
Wayland Township Chariton County	Road & Bridge	4,687,266	0.4857	0.4857	22,766		
	Special Road and Bridge	4,687,266	0.2230	0.2230	10,453		2020
Yellow Creek Township Chariton Co	Road & Bridge	9,680,158	0.4284	0.4284	41,470		
	Special Road and Bridge	9,680,158	0.3470	0.3470	33,590	A	2022
Keytesville FPD	General Revenue	45,194,088	0.1523	0.1523	68,831		
Mendon Public FPD	General Revenue	20,539,879	0.2290	0.2290	47,036		
Sumner Community FPD	General Revenue	8,523,688	0.2532	0.2532	21,582		
Yellow Creek FPD	General Revenue	7,708,060	0.2617	0.2617	20,172		
Chariton County Health Center	General Revenue	243,850,053	0.1000	0.1000	243,850		
Northwestern R-I School District	Operating Funds-Schools	18,256,070	4.3091	3.5225	643,070	D	
Brunswick R-II School District	Operating Funds-Schools	23,380,647	3.0180	3.0180	705,628	D	
	Debt Service	23,380,647	1.2467	0.8056	188,354		
Keytesville R-III School District	Operating Funds-Schools	18,755,130	4.0584	4.0584	761,158	D	
Salisbury R-IV School District	Operating Funds-Schools	55,980,132	5.0826	4.4697	2,502,144	D	
Chariton County	General Revenue	243,850,053	0.3596	0.2650	646,203		
	Developmental Dis. Board	243,850,053	0.0810	0.0800	195,080		
	Senior Services	243,850,053	0.0504	0.0500	121,925		
	Township	243,850,053	0.1000	0.1000	243,850		
Christian							
Christian County Ambulance District	General Revenue	1,193,749,381	0.1311	0.1311	1,565,005		

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Christian							
Billings SRD Christian County	Road & Bridge	60,588,644	0.2179	0.2179	132,023		
	Special Road and Bridge	60,588,644	0.3437	0.3437	208,243		2021
Garrison SRD Christian County	Road & Bridge	1,921,924	0.2425	0.2425	4,661		
Ozark SRD Christian County	Road & Bridge	440,485,966	0.1477	0.1477	650,598		
Selmore SRD Christian County	Road & Bridge	20,148,344	0.1808	0.1808	36,428		
South Sparta SRD Christian County	Road & Bridge	11,273,758	0.1676	0.1676	18,895		
Stoneshire SRD Christian County	Road & Bridge	3,848,952	0.1360	0.1360	5,235		
City of Billings	General Revenue	11,285,041	0.5763	0.5763	65,036		
	Parks & Recreation	11,285,041	0.1675	0.1675	18,902		
City of Clever	General Revenue	27,045,683	0.6047	0.6047	163,545		
City of Nixa	General Revenue	268,795,436	0.3246	0.3246	872,510		
City of Ozark	General Revenue	247,197,008	0.2337	0.2337	577,699		
	Parks & Recreation	247,197,008	0.0585	0.0585	144,610		
City of Sparta	General Revenue	16,585,886	0.3635	0.3635	60,290		
City of Fremont Hills	General Revenue	27,809,626	0.6318	0.6318	175,701		
Village of Saddlebrooke	General Revenue	11,895,620	0.7368	0.7368	87,647		
Christian County Library District	General Revenue	1,309,241,571	0.2015	0.2009	2,630,266		
Ozark FPD	General Revenue	530,450,541	0.3863	0.3863	2,049,130		
	Fire	530,450,541	0.2480	0.2480	1,315,517		
Nixa FPD	General Revenue	498,341,716	0.6501	0.6501	3,239,719		
	Debt Service	498,341,716	0.1010	0.0790	393,690		
Billings FPD	General Revenue	66,187,840	0.3857	0.3857	255,286		
Clever FPD	General Revenue	78,898,031	0.3816	0.3816	301,075		
Highlandville Rural FPD	General Revenue	88,610,636	0.3923	0.3923	347,620		
Sparta FPD	General Revenue	44,843,588	0.5789	0.5789	259,600		
Chadwick Rural FPD	General Revenue	11,652,065	0.5401	0.5401	62,933		
Christian County Health Department	General Revenue	1,309,241,571	0.0439	0.0439	574,757		
Chadwick R-I School District	Operating Funds-Schools	14,410,038	3.5579	3.5579	512,695	D	
	Debt Service	14,410,038	1.2637	1.0050	144,821		
Nixa Public School District	Operating Funds-Schools	505,654,283	3.6534	3.6534	18,473,574	BD	
	Debt Service	505,654,283	1.7862	1.0466	5,292,178		
Sparta R-III School District	Operating Funds-Schools	44,036,323	3.3567	3.3567	1,478,167	D	
	Debt Service	44,036,323	0.7474	0.7433	327,322		
Billings R-IV School District	Operating Funds-Schools	38,367,687	3.2045	3.2045	1,229,493	D	
	Debt Service	38,367,687	1.5560	0.9500	364,493		
Clever R-V School District	Operating Funds-Schools	78,056,351	3.5428	3.5428	2,765,380	D	
	Debt Service	78,056,351	1.1701	1.0966	855,966		
Ozark R-VI School District	Operating Funds-Schools	495,950,840	3.2691	3.2600	16,167,997	D	
	Debt Service	495,950,840	1.3448	0.8800	4,364,367		
Spokane R-VII School District	Operating Funds-Schools	71,101,294	3.4511	3.4511	2,453,777	D	
	Debt Service	71,101,294	0.7631	0.7445	529,349		
Christian County	General Revenue	1,309,241,571	0.2241	0.0540	706,990		
	Developmental Dis. Board	1,309,241,571	0.0790	0.0790	1,034,301		
	Senior Services	1,309,241,571	0.0495	0.0495	648,075		
	Common Road District 1	131,416,345	0.1026	0.1026	134,833		
	Common Road District 2	264,133,853	0.0000	0.0000	0		
Clark							
Clark County Ambulance District	General Revenue	119,405,742	0.1504	0.1504	179,586		

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Clark							
Clark County NHD	General Revenue	119,405,742	0.3577	0.3500	417,920		
Wayland SRD Clark County	Road & Bridge	14,593,295	0.3500	0.3500	51,077		
City of Alexandria	General Revenue	1,568,738	0.8923	0.8923	13,998		
City of Kahoka	General Revenue	18,536,805	0.7888	0.7888	146,218		
	Parks & Recreation	18,536,805	0.1500	0.1500	27,805		
	Library	18,536,805	0.2400	0.2400	44,488		
Village of Luray	General Revenue	356,911	0.6000	0.6000	2,141		
City of Wayland	General Revenue	5,001,521	0.6997	0.6997	34,996		
	Streets	5,001,521	0.2333	0.2333	11,669		
City of Wyaconda	General Revenue	1,850,303	1.0000	1.0000	18,503		
City of Revere	General Revenue	778,503	0.9840	0.9840	7,660		
Clark County Library District	General Revenue	100,980,912	0.1000	0.1000	100,981		
Alexandria FPD	General Revenue	11,483,198	0.2304	0.2304	26,457		
Clark County Health Department	General Revenue	119,405,742	0.2533	0.2533	302,455	B	
Clark County R-I School District	Operating Funds-Schools	97,259,820	2.8150	2.7500	2,674,645	E	
	Debt Service	97,259,820	1.0163	0.7500	729,449		
Clark County	General Revenue	119,405,742	0.4964	0.3545	423,293		
	Road & Bridge	103,579,026	0.3500	0.3500	362,527		
	Special Road and Bridge	103,579,026	0.3537	0.3537	366,359		2020
	Senior Services	119,405,742	0.0504	0.0504	60,180		
Clay							
Eastern Clay Ambulance District	General Revenue	33,838,541	0.3000	0.3000	101,516		
New Liberty Hospital District	General Revenue	1,229,647,630	0.1499	0.1499	1,843,242		
City of Avondale	General Revenue	4,525,638	0.4410	0.4410	19,958		
	Debt Service	4,525,638	1.2471	1.2471	56,439		
Village of Birmingham	General Revenue	3,387,477	0.3101	0.3101	10,505		
Village of Claycomo	General Revenue	91,106,152	0.3300	0.3300	300,650		
City of Excelsior Springs	General Revenue	160,431,985	0.6318	0.6318	1,013,609		
	Hospital	160,431,985	0.1779	0.1779	285,409		
	Parks	160,431,985	0.1779	0.1779	285,409		
	Recreation	160,431,985	0.1779	0.1779	285,409		
City of Glenaire	General Revenue	7,201,312	0.5917	0.5917	42,610		
City of Holt	General Revenue	5,615,214	0.4670	0.4670	26,223		
City of Kearney	General Revenue	188,157,728	0.5515	0.5515	1,037,690		
	Debt Service	188,157,728	0.4497	0.0500	94,079		
City of Liberty	General Revenue	538,804,354	0.7697	0.7585	4,086,831		
	Parks & Recreation	538,804,354	0.1356	0.1336	719,843		
City of Missouri City	General Revenue	1,774,784	0.8790	0.8790	15,600		
City of Mosby	General Revenue	2,868,109	0.9751	0.9751	27,967		
City of North Kansas City	General Revenue	306,089,268	0.3978	0.3978	1,217,623		
	Parks & Recreation	306,089,268	0.1785	0.1785	546,369		
	Library	306,089,268	0.2677	0.2677	819,401		
	Pension	306,089,268	0.1937	0.1937	592,895		
Village of Oaks	General Revenue	2,502,131	0.5000	0.5000	12,511		
	Fire	2,502,131	0.3159	0.3159	7,904		2019
Village of Oakview	General Revenue	6,127,258	0.4189	0.4189	25,667		
	Fire	6,127,258	0.1276	0.1276	7,818		
	Fire & Ambulance	6,127,258	0.2945	0.2945	18,045		2019

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Clay							
Village of Oakwood	General Revenue	4,938,078	0.2500	0.2500	12,345		
	Fire	4,938,078	0.2994	0.2994	14,785		2019
Village of Oakwood Park	General Revenue	2,646,944	0.4443	0.4443	11,760		
City of Pleasant Valley	General Revenue	47,664,682	0.6765	0.6765	322,452		
Village of Prathersville	General Revenue	3,198,033	0.2650	0.2650	8,475		
City of Randolph	General Revenue	7,809,102	0.4572	0.4572	35,703		
City of Smithville	General Revenue	182,661,090	0.4484	0.4484	819,052		
	Debt Service	182,661,090	0.3585	0.0000	0		
Kearney Fire & Rescue Protection	General Revenue	356,827,415	0.4952	0.4952	1,767,009		
	Ambulance	356,827,415	0.2717	0.2717	969,500		
	Dispatch	356,827,415	0.0287	0.0287	102,409		
	Debt Service	356,827,415	0.0887	0.0887	316,506		
Holt Community FPD	General Revenue	78,029,732	0.5689	0.5689	443,911		
	Ambulance	78,029,732	0.2800	0.2800	218,483		
	Debt Service	78,029,732	0.1603	0.1603	125,082		
Fishing River FPD	General Revenue	63,395,109	0.2957	0.2957	187,459		
Historic Downtown Liberty CID	General Revenue	5,028,140	0.4075	0.4075	20,490		2046
Clay County Public Health Center	General Revenue	4,540,729,864	0.0942	0.0942	4,277,368		
210 Highway TDD	General Revenue	44,498,149	0.0689	0.0689	30,659		
Kearney R-I School District	Operating Funds-Schools	395,854,491	4.0242	4.0242	15,929,976	D	
	Debt Service	395,854,491	1.3143	1.1902	4,711,460		
Smithville R-II School District	Operating Funds-Schools	273,210,625	3.1928	3.1928	8,723,069	D	
	Operating Funds-Temp	273,210,625	0.7537	0.7537	2,059,188		2041
	Debt Service	273,210,625	1.1539	1.1535	3,151,485		
Excelsior Springs 40 SD	Operating Funds-Schools	238,124,858	4.1291	4.1291	9,832,414	D	
	Debt Service	238,124,858	1.5883	1.1453	2,727,244		
Liberty 53 School District	Operating Funds-Schools	1,069,787,061	4.8885	4.8885	52,296,540	D	
	Debt Service	1,069,787,061	1.6474	1.5665	16,758,214		
Missouri City 56 School District	Operating Funds-Schools	7,579,529	4.4282	4.2564	322,615		
North Kansas City 74 SD	Operating Funds-Schools	2,406,226,746	4.9123	4.9123	118,201,076	D	
	Debt Service	2,406,226,746	1.2900	1.2900	31,040,325		
Clay County	General Revenue	4,540,729,864	0.2700	0.0532	2,415,668		
	Parks & Recreation	4,540,729,864	0.0000	0.0000	0		
	Road & Bridge	4,540,729,864	0.0766	0.0766	3,478,199		
	Developmental Dis. Board	4,540,729,864	0.1130	0.1130	5,131,025		
	Mental Health	4,540,729,864	0.0942	0.0942	4,277,368		
	Senior Services	4,540,729,864	0.0470	0.0470	2,134,143		
Clinton							
Cameron Ambulance District	General Revenue	116,933,328	0.2106	0.0000	0		
Tri-County Ambulance District	General Revenue	252,485,450	0.2700	0.1950	492,347		
Cameron SRD Clinton County	Road & Bridge	66,506,428	0.2588	0.2588	172,119		
	Special Road and Bridge	66,506,428	0.3562	0.3500	232,772		2021
Plattsburg SRD Clinton County	Road & Bridge	40,021,806	0.2768	0.2768	110,780		
	Special Road and Bridge	40,021,806	0.3526	0.3500	140,076	A	2022
City of Cameron	General Revenue	73,487,524	0.6613	0.6613	485,973		
	Parks & Recreation	73,487,524	0.1636	0.1636	120,226		
	Band	73,487,524	0.0935	0.0935	68,711		
	Library	73,487,524	0.1870	0.1870	137,422		

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Clinton							
City of Gower	General Revenue	15,522,520	0.5629	0.5629	87,376		
City of Lathrop	General Revenue	21,978,053	0.5906	0.5906	129,802		
	Parks & Recreation	21,978,053	0.1554	0.1554	34,154		
	Debt Service	21,978,053	0.5700	0.5700	125,275		
City of Plattsburg	General Revenue	26,989,420	0.5930	0.5930	160,047		
	Lights	26,989,420	0.1046	0.1046	28,231		2020
	Cemetery	26,989,420	0.0192	0.0192	5,182		2020
	Police	26,989,420	0.2249	0.2249	60,699		
	Parks	26,989,420	0.1436	0.1436	38,757		
	Recreation	26,989,420	0.0499	0.0499	13,468		
City of Trimble	General Revenue	7,142,409	0.3483	0.3483	24,877		
Village of Turney	General Revenue	1,507,596	0.4008	0.4008	6,042		
Gower FPD	General Revenue	52,341,172	0.2592	0.2592	135,668		
Lathrop Fire & Rescue	General Revenue	69,771,580	0.3451	0.3451	240,782		
Plattsburg FPD	General Revenue	68,315,660	0.4488	0.4488	306,601		
Cameron FPD	General Revenue	54,733,745	0.2780	0.2780	152,160		
Clinton County Health Department	General Revenue	315,797,980	0.0927	0.0927	292,745		
Cameron R-I School District	Operating Funds-Schools	121,273,155	3.3840	3.3840	4,103,884	D	
	Debt Service	121,273,155	1.0305	0.9900	1,200,604		
Lathrop R-II School District	Operating Funds-Schools	67,575,450	4.3353	4.3353	2,929,598	D	
	Debt Service	67,575,450	1.1722	0.9725	657,171		
Clinton County R-III SD	Operating Funds-Schools	83,428,847	3.9134	3.9134	3,264,904	D	
	Debt Service	83,428,847	1.5137	1.0000	834,288		
Clinton County	General Revenue	315,797,980	0.3603	0.2473	780,968		
	Common Road District	209,146,801	0.2805	0.2805	586,657		
	Special Road and Bridge	209,146,801	0.3500	0.3500	732,014		2022
	Developmental Dis. Board	315,797,980	0.0927	0.0927	292,745		
Cole							
Village of Centertown	General Revenue	4,361,437	0.7500	0.7500	32,711		
City of Jefferson City	General Revenue	910,339,512	0.4600	0.4600	4,187,562		
	Firemen Retirement	910,339,512	0.0961	0.0961	874,836		
City of Lohman	General Revenue	2,129,941	0.3061	0.3061	6,520		
	Debt Service	2,129,941	0.3329	0.3329	7,091		
City of Russellville	General Revenue	7,684,586	0.8028	0.8028	61,692		
City of Taos	General Revenue	17,676,289	0.2784	0.2784	49,211		
Jefferson City-Cole County PLD	General Revenue	1,457,604,514	0.2000	0.2000	2,915,209		
Cole County FPD	General Revenue	196,985,445	0.5795	0.5795	1,141,531	B	
Regional West FPD	General Revenue	201,286,260	0.2935	0.2935	590,775		
Osage FPD	General Revenue	138,720,961	0.2996	0.2996	415,608		
Russellville-Lohman FPD	General Revenue	52,940,494	0.3000	0.3000	158,821		
Cole County R-I School District	Operating Funds-Schools	57,428,542	3.4603	3.4100	1,958,313	D	
	Debt Service	57,428,542	1.1925	0.9500	545,571		
Cole County R-II School District	Operating Funds-Schools	114,432,790	3.0909	3.0500	3,490,200	BD	
	Debt Service	114,432,790	1.7166	1.2100	1,384,637		
Cole County R-V School District	Operating Funds-Schools	70,598,225	3.3852	3.0337	2,141,738	E	
	Debt Service	70,598,225	0.6593	0.5987	422,672		
Jefferson City School District	Operating Funds-Schools	1,328,890,516	4.1091	3.7900	50,364,951		
	Debt Service	1,328,890,516	1.2210	0.9028	11,997,224		

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Cole							
Cole County	General Revenue	1,457,604,514	0.3389	0.0788	1,148,592		
	Road & Bridge	1,457,604,514	0.2725	0.2725	3,971,972		
	Developmental Dis. Board	1,457,604,514	0.0909	0.0909	1,324,963		
Cooper							
Cooper County NHD	General Revenue	45,866,299	0.1410	0.1410	64,671		
City of Blackwater	General Revenue	1,620,416	0.9329	0.9329	15,117		
City of Boonville	General Revenue	102,928,759	0.7005	0.7005	721,016		
City of Bunceton	General Revenue	2,155,757	0.9653	0.9653	20,810		
City of Otterville	General Revenue	3,295,953	0.8513	0.8513	28,058		
	Debt Service	3,295,953	2.3214	2.3214	76,512		
City of Pilot Grove	General Revenue	5,511,698	0.7569	0.7569	41,718		
City of Prairie Home	General Revenue	2,523,537	0.9125	0.9125	23,027		
Village of Wooldridge	General Revenue	258,855	0.7000	0.7000	1,812		
Cooper County FPD	General Revenue	84,210,785	0.4714	0.4714	396,970		
	Debt Service	84,210,785	0.3598	0.3598	302,990		
Otterville FPD	General Revenue	15,181,011	0.2985	0.2985	45,315		
Prairie Home Rural FPD	General Revenue	14,116,743	0.2479	0.2479	34,995		
Blackwater Volunteer Rural FPD	General Revenue	19,662,744	0.2500	0.2500	49,157		
Pilot Grove Rural FPD	General Revenue	24,169,211	0.3002	0.3002	72,556		
Cooper County Public Health Center	General Revenue	262,541,246	0.1876	0.1876	492,527		
Blackwater R-II School District	Operating Funds-Schools	9,862,854	3.1080	3.1080	306,538	D	
Cooper County R-IV School District	Operating Funds-Schools	10,265,000	4.5989	4.5989	472,077	D	
Prairie Home R-V School District	Operating Funds-Schools	15,141,562	4.3704	4.3704	661,747	D	
	Debt Service	15,141,562	0.5738	0.4664	70,620		
Otterville R-VI School District	Operating Funds-Schools	16,669,695	3.5804	3.5804	596,842	D	
	Debt Service	16,669,695	0.9393	0.6700	111,687		
Pilot Grove C-4 School District	Operating Funds-Schools	21,690,882	3.1173	3.1173	676,170	D	
	Operating Funds-Temp	21,690,882	0.6857	0.6857	148,734		2026
	Debt Service	21,690,882	1.1763	1.0700	232,092		
Boonville R-I School District	Operating Funds-Schools	151,100,603	3.8650	3.8650	5,840,038	BD	
	Debt Service	151,100,603	1.3444	1.0699	1,616,625		
Cooper County	General Revenue	262,541,246	0.4278	0.2021	530,596		
	Road & Bridge	262,541,246	0.3157	0.3157	828,843		
	Developmental Dis. Board	262,541,246	0.1975	0.1975	518,519		
Crawford							
North Crawford Ambulance District	General Revenue	217,536,546	0.2752	0.1002	217,972		
Steelville Ambulance District	General Revenue	81,493,166	0.3238	0.1238	100,889		
City of Bourbon	General Revenue	10,866,220	0.8604	0.8604	93,493		
	Parks & Recreation	10,866,220	0.1000	0.1000	10,866		
	Police	10,866,220	0.4081	0.4081	44,345		
Village of Leasburg	General Revenue	1,916,357	0.5000	0.5000	9,582		
City of Steelville	General Revenue	16,467,737	0.5237	0.5237	86,242		
Crawford County Library District	General Revenue	266,286,844	0.2046	0.2046	544,823		
Bourbon FPD	General Revenue	54,045,116	0.2700	0.1300	70,259		
Steelville FPD	General Revenue	93,526,059	0.1986	0.1986	185,743		
Cuba Community FPD	Fire	124,210,203	0.3063	0.3063	380,456		
Crawford County R-I SD	Operating Funds-Schools	71,964,091	3.0560	3.0560	2,199,223	D	
	Debt Service	71,964,091	0.9608	0.9350	672,864		

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Crawford							
Crawford County R-II SD	Operating Funds-Schools	125,493,326	3.0232	2.7500	3,451,066	E	
	Debt Service	125,493,326	0.9781	0.5600	702,763		
Steelville R-III School District	Operating Funds-Schools	66,586,566	3.1821	3.1821	2,118,851	D	
	Debt Service	66,586,566	1.1252	0.7700	512,717		
Crawford County	General Revenue	336,080,450	0.1960	0.0000	0		
	Road & Bridge	336,080,450	0.2098	0.2098	705,097		
	Developmental Dis. Board	336,080,450	0.0953	0.0953	320,285		
	Senior Services	336,080,450	0.0475	0.0475	159,638		
Dade							
Dade County NHD	General Revenue	93,329,865	0.2550	0.2550	237,991		
Good Shepherd NHD	General Revenue	33,041,741	0.1548	0.1548	51,149		
Village of Dadeville	General Revenue	1,569,492	0.4500	0.4500	7,063		
City of Everton	General Revenue	1,848,068	0.9775	0.9775	18,065		
	Parks & Recreation	1,848,068	0.0978	0.0978	1,807		
	Debt Service	1,848,068	0.5196	0.5196	9,603		
City of Greenfield	General Revenue	15,174,655	0.4516	0.4516	68,529		
	Parks & Recreation	15,174,655	0.0000	0.0000	0		
	Streets	15,174,655	0.1826	0.1826	27,709		
Village of South Greenfield	General Revenue	1,059,761	0.4115	0.4115	4,361		
City of Lockwood	General Revenue	8,039,325	0.5858	0.5858	47,094		
	Parks & Recreation	8,039,325	0.1562	0.1562	12,557		
	Library	8,039,325	0.1855	0.1855	14,913		
Dade County Library District	General Revenue	118,236,618	0.0930	0.0930	109,960		
Dadeville Rural FPD	General Revenue	13,423,472	0.1797	0.1797	24,122		
Dade County R-IV Rural FPD	General Revenue	49,622,752	0.1870	0.1870	92,795		
Lockwood FPD	General Revenue	31,503,524	0.2009	0.2000	63,007		
Dade County Health Department	General Revenue	126,482,869	0.0922	0.0922	116,617		
Lockwood R-I School District	Operating Funds-Schools	34,107,869	3.4736	3.4736	1,184,771	D	
	Debt Service	34,107,869	1.4987	0.6000	204,647		
Dadeville R-II School District	Operating Funds-Schools	12,624,460	3.4352	3.4300	433,019	D	
	Debt Service	12,624,460	0.9942	0.9900	124,982		
Everton R-III School District	Operating Funds-Schools	12,033,114	4.3935	4.3935	528,675	D	
	Debt Service	12,033,114	1.0072	0.5500	66,182		
Greenfield R-IV School District	Operating Funds-Schools	41,853,680	2.9776	2.9776	1,246,235	D	
	Debt Service	41,853,680	0.6512	0.5858	245,179		
Dade County	General Revenue	126,482,869	0.3420	0.2190	276,997		
	Road & Bridge	126,482,869	0.4975	0.4975	629,252		
Dallas							
City of Buffalo	General Revenue	33,868,240	0.5790	0.5790	196,097		
City of Urbana	General Revenue	3,368,141	0.7123	0.7123	23,991		
Dallas County Library District	General Revenue	185,417,624	0.0925	0.0925	171,511		
Southern Dallas County FPD	General Revenue	30,119,900	0.2760	0.2760	83,131		
Elkland FPD	General Revenue	17,818,175	0.2815	0.2815	50,158		
Dallas County Health Department	General Revenue	127,327,478	0.1005	0.1005	127,964		
Dallas County R-I School District	Operating Funds-Schools	132,392,480	3.3089	3.3089	4,380,735	D	
	Operating Funds-Temp	132,392,480	0.4670	0.4670	618,273	A	2044
Dallas County	General Revenue	185,174,590	0.3508	0.1655	306,464		
	Road & Bridge	185,174,590	0.2607	0.2607	482,750		

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Dallas						
Dallas County	Senior Services	185,174,590	0.0500	0.0500	92,587	
Daviess						
Community Ambulance District	General Revenue	123,575,957	0.3477	0.3477	429,674	
West Fork of Big Creek WSD	General Revenue	1,307,309	0.1515	0.1515	1,981	
Jamesport SRD Daviess County	Road & Bridge	13,346,483	0.3903	0.3903	52,091	
	Special Road and Bridge	13,346,483	0.2700	0.2700	36,036	2020
Lock Springs SRD Daviess County	Road & Bridge	4,918,230	0.3153	0.3153	15,507	
	Special Road and Bridge	4,918,230	0.3523	0.3523	17,327	2020
Daviess County SRD 1	Road & Bridge	25,989,880	0.2122	0.2122	55,151	
	Special Road and Bridge	25,989,880	0.3522	0.3522	91,536	2019
Village of Altamont	General Revenue	1,102,036	0.5493	0.5493	6,053	
City of Coffey	General Revenue	533,689	1.0000	1.0000	5,337	
City of Gallatin	General Revenue	13,964,645	0.6390	0.6390	89,234	
	Parks & Recreation	13,964,645	0.2273	0.2273	31,742	
	Band	13,964,645	0.0200	0.0200	2,793	
City of Jamesport	General Revenue	3,994,071	0.7231	0.7231	28,881	
	Parks & Recreation	3,994,071	0.1713	0.1713	6,842	
Village of Jameson	General Revenue	466,375	0.5000	0.5000	2,332	
	General Revenue-Temp	466,375	0.2056	0.2056	959	2021
Village of Lock Springs	General Revenue	419,169	0.4107	0.4107	1,722	
City of Pattonsburg	General Revenue	1,889,192	1.0000	1.0000	18,892	
Village of Winston	General Revenue	1,438,185	0.4356	0.4356	6,265	
	Streets	1,438,185	0.2676	0.2676	3,849	2019
Daviess County Library District	General Revenue	140,611,520	0.1837	0.1837	258,303	
Benton Township Daviess County	General Revenue	6,731,703	0.1000	0.1000	6,732	
	Road & Bridge	6,731,703	0.5000	0.5000	33,659	
Colfax Township Daviess County	General Revenue	7,312,300	0.0978	0.0978	7,151	
	Road & Bridge	7,312,300	0.4893	0.4893	35,779	
	Special Road and Bridge	7,312,300	0.2496	0.2496	18,252	2020
Grand River Township Daviess County	General Revenue	5,474,186	0.1000	0.1000	5,474	
	Road & Bridge	5,474,186	0.5000	0.5000	27,371	
	Special Road and Bridge	5,474,186	0.3571	0.3571	19,548	2020
Harrison Township Daviess County	General Revenue	4,271,288	0.0786	0.0786	3,357	
	Road & Bridge	4,271,288	0.3884	0.3884	16,590	
	Special Road and Bridge	4,271,288	0.3508	0.3508	14,984	2020
Jackson Township Daviess County	General Revenue	13,036,508	0.0919	0.0919	11,981	
	Road & Bridge	8,117,890	0.5000	0.5000	40,589	
	Special Road and Bridge	8,117,890	0.3611	0.3611	29,314	2020
Jamesport Township Daviess County	General Revenue	13,346,108	0.0924	0.0924	12,332	
Jefferson Township Daviess County	General Revenue	6,406,029	0.0970	0.0970	6,214	
	Road & Bridge	6,406,029	0.4615	0.4615	29,564	
	Special Road and Bridge	6,406,029	0.3446	0.3446	22,075	2020
Liberty Township Daviess County	General Revenue	32,906,279	0.0642	0.0642	21,126	
	Road & Bridge	6,916,399	0.4776	0.4556	31,511 C	
Lincoln Township Daviess County	General Revenue	5,227,314	0.0997	0.0997	5,212	
	Road & Bridge	5,227,314	0.4982	0.4982	26,042	
	Special Road and Bridge	5,227,314	0.3500	0.3500	18,296	2020
Marion Township Daviess County	General Revenue	5,154,207	0.0791	0.0791	4,077	

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Daviess							
Marion Township Daviess County	Road & Bridge	5,154,207	0.4842	0.4842	24,957		
	Special Road and Bridge	5,154,207	0.3585	0.3585	18,478		2020
Monroe Township Daviess County	General Revenue	3,805,183	0.1000	0.1000	3,805		
	Road & Bridge	3,805,183	0.5000	0.5000	19,026		
	Special Road and Bridge	3,805,183	0.3537	0.3537	13,459		2020
Salem Township Daviess County	General Revenue	6,586,566	0.1000	0.1000	6,587		
	Road & Bridge	6,586,566	0.5000	0.5000	32,933		
	Special Road and Bridge	6,586,566	0.3527	0.3527	23,231		2020
Sheridan Township Daviess County	General Revenue	6,200,467	0.0914	0.0914	5,667		
	Road & Bridge	6,200,467	0.4248	0.4248	26,340		
	Special Road and Bridge	6,200,467	0.3360	0.3360	20,834		2020
Union Township Daviess County	General Revenue	20,435,429	0.0509	0.0509	10,402		
	Road & Bridge	20,435,429	0.3876	0.3876	79,208		
Washington Township Daviess County	General Revenue	3,717,293	0.1000	0.1000	3,717		
	Road & Bridge	3,717,293	0.5000	0.5000	18,586		
	Special Road and Bridge	3,717,293	0.3570	0.3570	13,271		2020
K.A.W. FPD	General Revenue	33,051,825	0.4820	0.4820	159,310		
Jameson FPD	General Revenue	6,420,848	0.3000	0.3000	19,263		
Coffey FPD	General Revenue	5,353,668	0.3000	0.3000	16,061		
Pattonsburg Rescue & FPD	General Revenue	14,793,654	0.2964	0.2964	43,848		
Gallatin FPD	General Revenue	30,970,635	0.3000	0.3000	92,912		
Daviess County Health Department	General Revenue	140,611,520	0.2407	0.2407	338,452		
Pattonsburg R-II School District	Operating Funds-Schools	14,699,316	4.6966	4.6966	690,368	D	
	Debt Service	14,699,316	1.3912	0.5623	82,654		
Winston R-VI School District	Operating Funds-Schools	25,453,796	2.9728	2.9728	756,690	D	
	Operating Funds-Temp	25,453,796	1.2500	1.2500	318,172		2035
North Daviess R-III School District	Operating Funds-Schools	11,597,889	5.4095	5.2838	612,809	D	
Gallatin R-V School District	Operating Funds-Schools	47,005,323	4.4847	4.4847	2,108,048	D	
Tri-County R-VII School District	Operating Funds-Schools	22,546,595	4.2817	4.2817	965,378	D	
	Operating Funds-Temp	22,546,595	0.2665	0.2665	60,087		2023
Daviess County	General Revenue	140,611,520	0.1193	0.1193	167,750		
	Developmental Dis. Board	140,611,520	0.0922	0.0922	129,644		
	Senior Services	140,611,520	0.0498	0.0498	70,025		
DeKalb							
DeKalb-Clinton Ambulance District 1	General Revenue	129,716,294	0.2342	0.2342	303,796		
Grindstone-Lost-Muddy-Creek WSD	General Revenue	50,069,481	0.1312	0.1312	65,691		
Village of Amity	General Revenue	407,585	0.4565	0.4565	1,861		
City of Clarksdale	General Revenue	1,612,678	0.7516	0.7516	12,121		
	Lights	1,612,678	0.2349	0.2349	3,788		
	Streets	1,612,678	0.2583	0.2583	4,166		
City of Maysville	General Revenue	10,023,305	0.8324	0.8324	83,434		
	Streets	10,023,305	0.4922	0.4922	49,335		2019
City of Stewartsville	General Revenue	6,655,787	0.5399	0.5399	35,935		
	Lights	6,655,787	0.2815	0.2815	18,736		
	Streets	6,655,787	0.1821	0.1821	12,120		
City of Union Star	General Revenue	2,230,556	0.5063	0.5063	11,293		
	Lights	2,230,556	0.2260	0.2260	5,041		
	Streets	2,230,556	0.3894	0.3894	8,686		

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DeKalb							
City of Union Star	Debt Service	2,230,556	0.3009	0.3009	6,712		
Village of Weatherby	General Revenue	533,990	0.4554	0.4554	2,432		
	General Revenue-Temp	533,990	0.3904	0.3904	2,085		2019
City of Osborn	General Revenue	3,791,261	0.7781	0.7781	29,500		
Adams Township DeKalb County	General Revenue	8,783,652	0.0989	0.0989	8,687		
	Road & Bridge	8,783,652	0.4089	0.4089	35,916		
	Special Road and Bridge	8,783,652	0.1421	0.1421	12,482	A	2022
Camden Township DeKalb County	General Revenue	28,278,180	0.1000	0.1000	28,278		
	Road & Bridge	28,278,180	0.3629	0.3629	102,622		
Colfax Township DeKalb County	General Revenue	26,802,284	0.1000	0.1000	26,802		
	Road & Bridge	26,802,284	0.4504	0.4504	120,717		
	Special Road and Bridge	26,802,284	0.3500	0.3500	93,808		2019
Dallas Township DeKalb County	General Revenue	5,740,515	0.0961	0.0961	5,517		
	Road & Bridge	5,740,515	0.4140	0.4140	23,766		
	Special Road and Bridge	5,740,515	0.3541	0.3541	20,327		2021
Grand River Township DeKalb County	General Revenue	44,189,987	0.1000	0.1000	44,190		
	Road & Bridge	44,189,987	0.4401	0.4401	194,480		
Grant Township DeKalb County	General Revenue	6,563,719	0.1000	0.1000	6,564		
	Road & Bridge	6,563,719	0.5000	0.5000	32,819		
	Special Road and Bridge	6,563,719	0.3571	0.3571	23,439		2019
Polk Township DeKalb County	General Revenue	35,999,316	0.1000	0.1000	35,999		
	Road & Bridge	35,999,316	0.4590	0.4590	165,237		
Sherman Township DeKalb County	General Revenue	24,674,379	0.0610	0.0610	15,051		
	Road & Bridge	24,674,379	0.2484	0.2484	61,291		
	Special Road and Bridge	24,674,379	0.2633	0.2633	64,968		2019
Washington Township DeKalb County	General Revenue	24,674,379	0.0807	0.0807	19,912		
	Road & Bridge	24,674,379	0.3048	0.3048	75,208		
Osborn FPD	General Revenue	25,555,888	0.2351	0.2351	60,082		
Stewartsville FPD	General Revenue	34,403,060	0.2122	0.2122	73,003		
Central DeKalb County FPD	General Revenue	53,703,744	0.2591	0.2591	139,146		
Clarksdale FPD	General Revenue	18,942,496	0.3136	0.3136	59,404		
Union Star FPD	General Revenue	33,915,466	0.2704	0.2704	91,707		
Osborn R-O School District	Operating Funds-Schools	20,179,240	4.4723	4.3000	867,707	D	
	Debt Service	20,179,240	0.7623	0.4600	92,825		
Maysville R-I School District	Operating Funds-Schools	71,239,891	3.5429	3.5429	2,523,958	D	
	Operating Funds-Temp	71,239,891	0.5148	0.5148	366,743		2021
Union Star R-II School District	Operating Funds-Schools	28,381,393	5.1242	5.0542	1,434,452	D	
Stewartsville C-2 School District	Operating Funds-Schools	19,520,136	3.8555	3.8555	752,599	D	
	Debt Service	19,520,136	0.6557	0.5015	97,893		
DeKalb County	General Revenue	208,091,544	0.3695	0.1732	360,415		
	Developmental Dis. Board	208,091,544	0.0876	0.0876	182,288		
	Senior Services	208,091,544	0.0292	0.0292	60,763		
Dent							
Salem Memorial Hospital District	General Revenue	260,110,183	0.1925	0.1925	500,712		
City of Salem	General Revenue	49,852,823	0.6522	0.6522	325,140		
	Library	49,852,823	0.2945	0.2945	146,817		
Dent County FPD	General Revenue	105,314,251	0.2338	0.2338	246,225		
Dent County Health Center	General Revenue	174,587,377	0.0953	0.0953	166,382		

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Dent							
Salem R-80 School District	Operating Funds-Schools	72,359,251	2.7500	2.7500	1,989,879	D	
	Debt Service	72,359,251	0.5803	0.4500	325,617		
Oak Hill R-I School District	Operating Funds-Schools	15,869,435	3.0615	3.0610	485,763	D	
	Operating Funds-Temp	15,869,435	0.3690	0.3690	58,558		2026
Green Forest R-II School District	Operating Funds-Schools	22,155,110	2.7500	2.7500	609,266	D	
Dent-Phelps R-III School District	Operating Funds-Schools	35,513,443	2.7500	2.7500	976,620	D	
North Wood R-IV School District	Operating Funds-Schools	22,191,240	3.0507	3.0500	676,833	D	
Dent County	General Revenue	174,587,377	0.3019	0.0295	51,503		
	Road & Bridge	174,587,377	0.2534	0.2534	442,404		
	Developmental Dis. Board	174,587,377	0.1341	0.1341	234,122		
	Senior Services	174,587,377	0.0477	0.0477	83,278		
Douglas							
Ava Ambulance District	General Revenue	117,140,871	0.1146	0.0000	0		
Douglas County Library District	General Revenue	155,918,950	0.0823	0.0823	128,321		
Douglas County Health Department	General Revenue	155,918,950	0.2033	0.2006	312,773		
Skyline R-II School District	Operating Funds-Schools	11,027,411	2.7722	2.7722	305,702	D	
Plainview R-VIII School District	Operating Funds-Schools	7,797,280	2.7915	2.7915	217,661	D	
Ava R-I School District	Operating Funds-Schools	108,416,312	2.7500	2.7500	2,981,449	D	
Douglas County	General Revenue	155,918,950	0.2977	0.1350	210,491		
	Road & Bridge	155,918,950	0.2155	0.2155	336,005		
	Developmental Dis. Board	155,918,950	0.0823	0.0823	128,321		
Dunklin							
City of Arbyrd	General Revenue	2,980,115	1.0000	1.0000	29,801		
City of Campbell	General Revenue	9,549,976	0.0000	0.0000	0		
City of Cardwell	General Revenue	2,552,222	0.6944	0.6944	17,723		
	Streets	2,552,222	0.2000	0.2000	5,104		
City of Clarkton	General Revenue	4,763,764	0.7614	0.7614	36,271		
City of Holcomb	General Revenue	3,110,334	0.8033	0.8033	24,985		
City of Hornersville	General Revenue	3,608,642	0.9555	0.9555	34,481		
City of Kennett	General Revenue	89,365,759	0.0000	0.0000	0		
	Parks & Recreation	89,365,759	0.0000	0.0000	0		
	Parks	89,365,759	0.0000	0.0000	0		
City of Malden	General Revenue	31,640,602	0.7877	0.7877	249,233		
City of Senath	General Revenue	10,071,022	0.6593	0.6546	65,925		
	Health	10,071,022	0.1157	0.1149	11,572		
Buffalo Township Dunklin County	General Revenue	9,692,443	0.1000	0.1000	9,692		
	Road & Bridge	9,692,443	0.3314	0.3314	32,121		
Clay Township Dunklin County	General Revenue	19,432,420	0.1000	0.1000	19,432		
	Road & Bridge	19,432,420	0.3459	0.3459	67,217		
Cotton Hill Township Dunklin County	General Revenue	49,094,301	0.1000	0.1000	49,094		
	Road & Bridge	49,094,301	0.3213	0.3213	157,740		
Freeborn Township Dunklin County	General Revenue	12,721,016	0.1000	0.1000	12,721		
	Road & Bridge	12,721,016	0.2808	0.2808	35,721		
Holcomb Township Dunklin County	General Revenue	11,841,372	0.1000	0.1000	11,841		
	Road & Bridge	11,841,372	0.2819	0.2819	33,381		
Independence Township Dunklin Co	General Revenue	115,864,273	0.1000	0.1000	115,864		
	Road & Bridge	115,864,273	0.2750	0.2750	318,627		
Salem Township Dunklin County	General Revenue	28,208,330	0.1000	0.1000	28,208		

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Dunklin						
Salem Township Dunklin County	Road & Bridge	28,208,330	0.3203	0.3203	90,351	
Union Township Dunklin County	General Revenue	57,020,843	0.1000	0.1000	57,021	
	Road & Bridge	57,020,843	0.3944	0.3944	224,890	
Dunklin County Health Department	General Revenue	303,874,998	0.1000	0.1000	303,875	
Malden R-I School District	Operating Funds-Schools	48,144,934	2.9549	2.9549	1,422,635	D
	Debt Service	48,144,934	0.8162	0.7951	382,800	
Campbell R-II School District	Operating Funds-Schools	47,065,537	3.3336	3.2722	1,540,079	D
	Debt Service	47,065,537	1.0154	0.7635	359,345	
Holcomb R-III School District	Operating Funds-Schools	22,684,210	3.3000	3.3000	748,579	D
	Debt Service	22,684,210	1.0619	0.7405	167,977	
Clarkton C-4 School District	Operating Funds-Schools	14,109,034	3.4771	3.4771	490,585	D
	Debt Service	14,109,034	0.8560	0.7000	98,763	
Senath-Hornersville C-8 SD	Operating Funds-Schools	51,199,310	3.5622	3.5622	1,823,822	D
Southland C-9 School District	Operating Funds-Schools	15,017,085	3.9426	3.9426	592,064	D
Kennett 39 School District	Operating Funds-Schools	90,609,232	3.7092	3.6900	3,343,481	D
	Debt Service	90,609,232	1.8009	1.0300	933,275	
Dunklin County	General Revenue	303,874,998	0.0000	0.0000	0	
	Library	303,874,998	0.2500	0.2500	759,687	
	Johnson Grass	303,874,998	0.0000	0.0000	0	
	Ambulance	303,874,998	0.1444	0.1444	438,795	
	Developmental Dis. Board	303,874,998	0.1000	0.1000	303,875	
Franklin						
Gerald Ambulance District	General Revenue	128,867,461	0.2896	0.2896	373,200	
Meramec Ambulance District	General Revenue	572,947,140	0.4220	0.3492	2,000,731	
	Dispatch	572,947,140	0.0297	0.0297	170,165	
St. Clair Ambulance District	General Revenue	229,494,184	0.3400	0.2438	559,507	
Union Ambulance District	General Revenue	383,081,388	0.1746	0.0212	81,213	
Washington Area Ambulance District	General Revenue	511,642,776	0.1647	0.0000	0	
New Haven Ambulance District	General Revenue	110,811,982	0.2886	0.2084	230,932	
City of Berger	General Revenue	2,097,150	0.8681	0.8681	18,205	
City of Gerald	General Revenue	17,702,904	0.6806	0.6806	120,486	
	Parks & Recreation	17,702,904	0.2225	0.2225	39,389	
Village of Leslie	General Revenue	1,193,024	0.4629	0.4629	5,523	
City of New Haven	General Revenue	47,317,960	0.6647	0.6647	314,522	
	Parks & Recreation	47,317,960	0.1709	0.1709	80,866	
Village of Oak Grove	General Revenue	9,651,177	0.1566	0.1566	15,114	
City of Pacific	General Revenue	134,579,081	0.4276	0.4276	575,460	
Village of Parkway	General Revenue	6,880,779	0.2567	0.2567	17,663	
City of St. Clair	General Revenue	60,807,288	0.5497	0.5497	334,258	
	Parks & Recreation	60,807,288	0.1716	0.1716	104,345	
City of Sullivan	General Revenue	87,081,667	0.4201	0.4201	365,830	
City of Union	General Revenue	202,272,529	0.5724	0.5724	1,157,808	
	Parks & Recreation	202,272,529	0.1378	0.1378	278,732	
City of Washington	General Revenue	348,670,768	0.5939	0.5939	2,070,756	
Village of Miramiguoa Park	General Revenue	1,047,883	0.5000	0.5000	5,239	A
Washington Public Library District	General Revenue	141,888,823	0.2000	0.2000	283,778	B
Scenic Regional Library District	General Revenue	2,784,740,142	0.1973	0.1973	5,494,292	
Beaufort-Leslie FPD	General Revenue	63,180,094	0.4463	0.4463	281,973	

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Franklin							
Boles FPD	General Revenue	293,199,774	0.9549	0.9549	2,799,765		
	Debt Service	293,199,774	0.2201	0.2201	645,333		
Pacific FPD	General Revenue	270,552,439	0.6685	0.6685	1,808,643		
	Pension	270,552,439	0.0480	0.0480	129,865		
	Joint Dispatch	270,552,439	0.0480	0.0480	129,865		
	Debt Service	270,552,439	0.0738	0.0700	189,387		
St. Clair FPD	General Revenue	239,694,103	0.5879	0.5076	1,216,687		
Sullivan FPD	General Revenue	214,543,657	0.3907	0.1307	280,409		
	Debt Service	214,543,657	0.1233	0.1233	264,532		
Union FPD	General Revenue	370,671,204	0.6100	0.4527	1,678,029	B	
Gerald-Rosebud FPD	General Revenue	76,812,780	0.2474	0.2474	190,035		
New Haven-Berger FPD	General Revenue	116,832,209	0.2406	0.2406	281,098		
Washington FPD	General Revenue	171,457,526	0.2793	0.2793	478,881		
Crestview Sewer District	General Revenue	1,151,885	0.4742	0.4742	5,462		
St. Clair Sewer District	General Revenue	10,152,443	0.3130	0.3130	31,777		
Sylvan Manor Sunset Acres SwrD	General Revenue	1,731,415	0.5401	0.5401	9,351		
Calvey Creek Sewer District	General Revenue	19,923,341	0.3775	0.3775	75,211		
East Central College	General Revenue	1,859,792,196	0.3628	0.3628	6,747,326		
	Debt Service	1,859,792,196	0.1433	0.0839	1,560,366		
Franklin County R-II SD	Operating Funds-Schools	37,107,580	3.7905	3.7905	1,406,563	D	
Meramec Valley R-III SD	Operating Funds-Schools	359,648,469	3.5204	3.5204	12,661,065	E	
	Debt Service	359,648,469	1.0641	0.8800	3,164,907		
Union R-XI School District	Operating Funds-Schools	346,112,364	2.9528	2.7900	9,656,535	E	
	Debt Service	346,112,364	1.2298	1.0500	3,634,180		
Lonedell R-XIV School District	Operating Funds-Schools	41,123,502	3.4899	3.4899	1,435,169	D	
	Debt Service	41,123,502	0.4758	0.4205	172,924		
Spring Bluff R-XV School District	Operating Funds-Schools	29,150,240	3.1425	3.1425	916,046	D	
	Debt Service	29,150,240	0.7580	0.7478	217,985		
Strain-Japan R-XVI School District	Operating Funds-Schools	13,059,429	3.7441	3.7441	488,958	D	
	Debt Service	13,059,429	0.2301	0.1800	23,507		
St. Clair R-XIII School District	Operating Funds-Schools	153,403,339	3.1627	3.1627	4,851,687	D	
	Debt Service	153,403,339	0.7286	0.6200	951,101		
Sullivan C-2 School District	Operating Funds-Schools	175,416,273	3.0601	3.0601	5,367,913	D	
	Debt Service	175,416,273	1.6649	1.1073	1,942,384		
New Haven School District	Operating Funds-Schools	40,250,352	3.8064	3.8064	1,532,089	D	
	Debt Service	40,250,352	0.7988	0.7500	301,878		
Washington School District	Operating Funds-Schools	817,503,171	3.6995	3.6995	30,243,530	D	
	Debt Service	817,503,171	0.4805	0.4700	3,842,265		
Franklin County	General Revenue	2,044,978,776	0.2904	0.1273	2,603,258		
	Road & Bridge	2,044,978,776	0.2102	0.2102	4,298,545		
	Developmental Dis. Board	2,044,978,776	0.0975	0.0975	1,993,854		
Gasconade							
Owensville Ambulance District	General Revenue	101,071,108	0.3189	0.0911	92,076		
Hermann Area Ambulance District	General Revenue	146,200,013	0.2861	0.1528	223,394		
Hermann Area Hospital District	General Revenue	138,868,444	0.9884	0.9884	1,372,576		
Gasconade Manor NHD	General Revenue	148,465,972	0.1228	0.1228	182,316		
Morrison Levee District	General Revenue	72,700	0.7730	0.7730	562		
Morrison SRD 4 Gasconade County	Road & Bridge	6,179,535	0.2481	0.2481	15,331		

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Gasconade							
City of Bland	General Revenue	3,634,990	0.9431	0.9431	34,282		
	Parks & Recreation	3,634,990	0.2524	0.2524	9,175		
	Debt Service	3,634,990	1.0936	1.0936	39,752		
City of Gasconade	General Revenue	1,633,498	0.6337	0.6337	10,351		
	Debt Service	1,633,498	1.7508	1.7508	28,599		
City of Hermann	General Revenue	41,338,415	0.3625	0.3625	149,852		
	Parks & Recreation	41,338,415	0.0093	0.0093	3,844		
	Band	41,338,415	0.0102	0.0102	4,217		
City of Morrison	General Revenue	1,402,388	0.5470	0.5470	7,671		
City of Owensville	General Revenue	39,886,810	0.3333	0.3333	132,943		
	Debt Service	39,886,810	0.4669	0.4669	186,232		
City of Rosebud	General Revenue	4,898,605	0.4188	0.4188	20,515		
Bland FPD	General Revenue	24,727,184	0.2106	0.2106	52,075		
Gasconade County Health Department	General Revenue	249,246,862	0.0946	0.0946	235,788		
Gasconade County R-II SD	Operating Funds-Schools	171,145,248	3.3429	3.1800	5,442,419	E	
	Debt Service	171,145,248	0.6802	0.6700	1,146,673		
Gasconade County R-I SD	Operating Funds-Schools	127,497,810	3.5358	3.5358	4,508,068	D	
	Debt Service	127,497,810	1.1478	0.7500	956,234		
Gasconade County	General Revenue	249,246,862	0.3566	0.1564	389,822		
	Common Road District	243,067,326	0.2614	0.2614	635,378		
	Developmental Dis. Board	249,246,862	0.0946	0.0946	235,788		
	Mental Health	249,246,862	0.0783	0.0783	195,160		
Gentry							
Grand River Regional AD	General Revenue	168,128,124	0.4462	0.4462	750,188		
City of Albany	General Revenue	17,067,367	0.6823	0.6823	116,451		
	Parks & Recreation	17,067,367	0.3022	0.3022	51,578		
	Library	17,067,367	0.6256	0.6256	106,773		
	Health	17,067,367	0.1903	0.1903	32,479		
Village of Darlington	General Revenue	327,203	0.4981	0.4981	1,630		
Village of Gentry	General Revenue	307,649	0.4999	0.4999	1,538		
City of King City	General Revenue	7,658,077	0.7352	0.7352	56,302		
	Parks & Recreation	7,658,077	0.1811	0.1811	13,869		
	Health	7,658,077	0.1811	0.1811	13,869		
	Police	7,658,077	0.1526	0.1526	11,686		2021
City of McFall	General Revenue	461,463	0.7500	0.7500	3,461		
City of Stanberry	General Revenue	12,665,880	0.6646	0.6646	84,177		
	Parks & Recreation	12,665,880	0.1700	0.1700	21,532		
	Streets	12,665,880	0.3921	0.3921	49,663		
Gentry County Library District	General Revenue	82,285,858	0.3027	0.3027	249,079		
Athens Township Gentry County	General Revenue	25,663,529	0.1000	0.1000	25,664		
	Road & Bridge	25,663,529	0.4057	0.4057	104,117		
	Special Road District	25,663,529	0.2041	0.2041	52,379		2020
	Special Road and Bridge	25,663,529	0.2551	0.2551	65,468		2019
Bogle Township Gentry County	General Revenue	7,157,017	0.1000	0.1000	7,157		
	Road & Bridge	7,157,017	0.5000	0.5000	35,785		
	Special Road and Bridge	7,157,017	0.3483	0.3483	24,928		2019
	Gravel	7,157,017	0.3810	0.3810	27,268		2019
	Gravel & Maintenance	7,157,017	0.4599	0.4599	32,915		2021

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Gentry							
Cooper Township Gentry County	General Revenue	22,012,458	0.1000	0.1000	22,012		
	Road & Bridge	22,012,458	0.4930	0.4930	108,521		
	Special Road and Bridge	22,012,458	0.1531	0.1531	33,701		2019
Howard Township Gentry County	General Revenue	2,386,969	0.1000	0.1000	2,387		
	Road & Bridge	2,386,969	0.5000	0.5000	11,935		
	Special Road and Bridge	2,386,969	0.3607	0.3607	8,610		2019
	Gravel	2,386,969	0.3092	0.3092	7,381		2019
Huggins Township Gentry County	General Revenue	3,462,621	0.1000	0.1000	3,463		
	Road & Bridge	3,462,621	0.5000	0.5000	17,313		
	Special Road and Bridge	3,462,621	0.3430	0.3430	11,877		2019
Jackson Township Gentry County	General Revenue	23,818,679	0.1000	0.1000	23,819		
	Road & Bridge	23,818,679	0.4907	0.4907	116,878		
	Special Road and Bridge	23,818,679	0.1210	0.1210	28,821		2019
	Special Road District	23,818,679	0.2569	0.2569	61,190	A	2022
Miller Township Gentry County	General Revenue	9,640,552	0.1000	0.1000	9,641		
	Road & Bridge	9,640,552	0.5000	0.5000	48,203		
	Special Road District	9,640,552	0.3706	0.3706	35,728		2020
	Special Road and Bridge	9,640,552	0.3592	0.3592	34,629	A	2022
Wilson Township Gentry County	General Revenue	5,211,862	0.0975	0.0975	5,082		
	Road & Bridge	5,211,862	0.4875	0.4875	25,408		
	Special Road and Bridge	5,211,862	0.2828	0.2828	14,739		2020
	Gravel	5,211,862	0.3026	0.3026	15,771		2019
	Gravel & Maintenance	5,211,862	0.3026	0.3026	15,771		2021
	Gravel & Maintenance 1	5,211,862	0.3562	0.3562	18,565		2019
Albany Community FPD	General Revenue	41,278,275	0.1755	0.1755	72,443		
	Fire	41,278,275	0.1500	0.1500	61,917		
Stanberry Rural FPD	General Revenue	28,803,708	0.4000	0.4000	115,215		
McFall FPD	General Revenue	4,286,388	0.3000	0.3000	12,859		
King City FPD	General Revenue	46,872,180	0.3000	0.3000	140,617		
King City R-I School District	Operating Funds-Schools	46,767,096	4.3600	4.1567	1,943,968		
	Debt Service	46,767,096	0.7313	0.5100	238,512		
Stanberry R-II School District	Operating Funds-Schools	28,292,494	4.1000	4.1000	1,159,992	D	
	Operating Funds-Temp	28,292,494	1.3300	1.3300	376,290		2026
Albany R-III School District	Operating Funds-Schools	39,657,644	4.4893	4.4893	1,780,351	D	
Gentry County	General Revenue	99,353,225	0.3587	0.3587	356,380		
	Senior Services	99,353,225	0.0500	0.0500	49,677		
	General Revenue-Temp	99,353,225	0.1928	0.1928	191,553	A	2022
Greene							
City of Ash Grove	General Revenue	15,568,230	0.5251	0.5251	81,749		
City of Battlefield	General Revenue	66,646,317	0.3158	0.3158	210,469		
City of Fair Grove	General Revenue	18,396,962	0.5159	0.5159	94,910		
	Debt Service	18,396,962	0.1288	0.1288	23,695		
City of Republic	General Revenue	217,734,579	0.4119	0.4119	896,849		
	Parks & Recreation	217,734,579	0.1110	0.1110	241,685		
	Lights	217,734,579	0.0634	0.0634	138,044		
City of Springfield	General Revenue	3,200,178,814	0.2636	0.2636	8,435,671		2025
	Parks & Recreation	3,200,178,814	0.1847	0.1847	5,910,730		
	Museum	3,200,178,814	0.0387	0.0387	1,238,469		

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Greene							
City of Springfield	Health	3,200,178,814	0.1259	0.1259	4,029,025		
City of Strafford	General Revenue	35,837,689	0.3395	0.3395	121,669		
City of Walnut Grove	General Revenue	6,709,079	0.6238	0.6238	41,851		
City of Willard	General Revenue	57,329,266	0.3677	0.3677	210,800		
	Parks & Recreation	57,329,266	0.1125	0.1125	64,495		
Springfield-Greene County PLD	General Revenue	5,318,818,555	0.2413	0.2413	12,834,309		
Battlefield FPD	General Revenue	620,950,276	0.5666	0.5666	3,518,304		
Strafford Volunteer FPD	General Revenue	201,204,847	0.7139	0.7139	1,436,401		
Fair Grove FPD	General Revenue	78,241,990	0.9364	0.9364	732,658		
Brookline FPD	General Revenue	143,757,756	0.2400	0.2400	345,019		
Logan-Rogersville FPD	General Revenue	461,464,309	0.5973	0.5973	2,756,326		
Willard FPD	General Revenue	177,924,862	0.7323	0.7323	1,302,944		
Walnut Grove FPD	General Revenue	44,842,167	0.2814	0.2814	126,186		
West Republic FPD	General Revenue	33,517,156	0.2521	0.2521	84,497		
Ebenezer FPD	General Revenue	162,150,316	0.8180	0.8180	1,326,390		
Bois D'Arc FPD	General Revenue	30,179,008	0.4347	0.4347	131,188	B	
Ash Grove FPD	General Revenue	30,813,613	0.4850	0.4850	149,446		
Convention & Entertainment CID	General Revenue	20,708,650	2.5281	2.5281	523,535		
	Debt Service	20,708,650	2.4008	0.8781	181,843		
Southern Hills CID Greene County	General Revenue	16,056,720	0.2747	0.2747	44,108		2042
Ozarks Technical Community College	General Revenue	7,766,424,460	0.0985	0.0985	7,649,928		
	General Revenue-Temp	7,766,424,460	0.1005	0.1005	7,805,257		2038
Willard R-II School District	Operating Funds-Schools	420,957,490	3.0354	3.0354	12,777,744	D	
	Debt Service	420,957,490	1.7575	1.0930	4,601,065		
Republic R-III School District	Operating Funds-Schools	428,194,058	3.2131	3.2131	13,758,303	D	
	Debt Service	428,194,058	1.4694	0.9400	4,025,024		
Ash Grove R-IV School District	Operating Funds-Schools	65,091,482	3.0396	3.0396	1,978,521	D	
	Debt Service	65,091,482	0.6040	0.5930	385,992		
Walnut Grove R-V School District	Operating Funds-Schools	22,547,315	3.8827	3.8827	875,445	D	
Strafford R-VI School District	Operating Funds-Schools	217,937,465	2.7500	2.7500	5,993,280	E	
	Debt Service	217,937,465	1.1907	0.7000	1,525,562		
Logan-Rogersville R-VIII SD	Operating Funds-Schools	271,569,207	3.5634	3.5634	9,677,097	BD	
	Debt Service	271,569,207	1.2168	0.9394	2,551,121		
Springfield R-XII School District	Operating Funds-Schools	3,854,683,405	3.4961	3.4961	134,763,587	D	
	Debt Service	3,854,683,405	1.2937	0.6400	24,669,974		
Fair Grove R-X School District	Operating Funds-Schools	75,379,665	2.9643	2.9643	2,234,479	D	
	Debt Service	75,379,665	1.7664	0.9000	678,417		
Greene County	General Revenue	5,318,818,555	0.2494	0.1177	6,260,249		
	Road & Bridge	5,318,818,555	0.2494	0.1177	6,260,249		
	Developmental Dis. Board	5,318,818,555	0.0463	0.0463	2,462,613		
	Senior Services	5,318,818,555	0.0489	0.0489	2,600,902		
Grundy							
Grundy County NHD	General Revenue	132,599,802	0.1470	0.1470	194,922		
Spickard SRD Grundy County	Special Road and Bridge	1,924,341	0.3800	0.3800	7,312		2021
Village of Brimson	General Revenue	273,837	0.2133	0.2000	548		
City of Galt	General Revenue	935,980	1.0000	1.0000	9,360		
City of Laredo	General Revenue	971,221	0.6902	0.6902	6,703		
	Streets	971,221	0.2958	0.2958	2,873		

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Grundy							
City of Spickard	General Revenue	1,348,604	0.9917	0.9917	13,374		
City of Tindall	General Revenue	786,596	0.4461	0.4461	3,509		
City of Trenton	General Revenue	57,111,860	0.9401	0.9401	536,909		
	Parks & Recreation	57,111,860	0.1730	0.1730	98,804		
Jewett Norris-Grundy County PLD	General Revenue	132,599,802	0.1979	0.1979	262,415		
Franklin Township Grundy County	General Revenue	6,051,390	0.0922	0.0922	5,579		
	Road & Bridge	4,127,049	0.4994	0.4994	20,610		
	Special Road and Bridge	4,127,049	0.3666	0.3666	15,130	A	2022
Harrison Township Grundy County	General Revenue	2,438,881	0.1000	0.1000	2,439		
	Road & Bridge	2,438,881	0.5000	0.5000	12,194		
	Special Road and Bridge	2,438,881	0.3500	0.3500	8,536		2020
Jackson Township Grundy County	General Revenue	4,978,151	0.0891	0.0891	4,436		
	Road & Bridge	4,978,151	0.3662	0.3662	18,230		
	Special Road and Bridge	4,978,151	0.3568	0.3568	17,762	A	2022
	Debt Service	4,978,151	0.2443	0.2443	12,162		
Jefferson Township Grundy County	General Revenue	9,287,316	0.0855	0.0855	7,941		
	Road & Bridge	9,287,316	0.4337	0.4337	40,279		
	Special Road and Bridge	9,287,316	0.3578	0.3578	33,230	A	2022
Liberty Township Grundy County	General Revenue	4,274,765	0.1000	0.1000	4,275		
	Road & Bridge	4,274,765	0.5000	0.5000	21,374		
	Special Road and Bridge	4,274,765	0.3500	0.3500	14,962		2020
Lincoln Township Grundy County	General Revenue	10,539,992	0.0887	0.0887	9,349		
	Road & Bridge	10,539,992	0.2691	0.2691	28,363		
	Special Road and Bridge	10,539,992	0.3500	0.3500	36,890		2020
Madison Township Grundy County	General Revenue	8,126,114	0.0976	0.0976	7,931		
	Road & Bridge	8,126,114	0.4881	0.4881	39,664		
	Special Road and Bridge	8,126,114	0.3552	0.3552	28,864	A	2022
Marion Township Grundy County	General Revenue	6,526,893	0.0885	0.0885	5,776		
	Road & Bridge	6,526,893	0.4419	0.4419	28,842		
	Special Road and Bridge	6,526,893	0.3500	0.3500	22,844	A	2022
	Debt Service	6,526,893	0.1139	0.1139	7,434		
Myers Township Grundy County	General Revenue	2,015,156	0.1000	0.1000	2,015		
	Road & Bridge	2,015,156	0.5000	0.5000	10,076		
	Special Road and Bridge	2,015,156	0.3568	0.3568	7,190	A	2022
Taylor Township Grundy County	General Revenue	1,899,995	0.1000	0.1000	1,900		
	Road & Bridge	1,899,995	0.5000	0.5000	9,500		
	Special Road and Bridge	1,899,995	0.3707	0.3707	7,043		2020
Trenton Township Grundy County	General Revenue	68,915,442	0.0632	0.0611	42,107		
	Road & Bridge	68,915,442	0.2831	0.2738	188,690		
Wilson Township Grundy County	General Revenue	5,780,615	0.0978	0.0978	5,653		
	Road & Bridge	5,780,615	0.4894	0.4894	28,290		
	Special Road and Bridge	5,780,615	0.3500	0.3500	20,232	A	2022
Washington Township Grundy County	General Revenue	1,765,092	0.0977	0.0977	1,724		
	Road & Bridge	1,765,092	0.4882	0.4882	8,617		
Grundy County Rural FPD	General Revenue	40,090,077	0.2642	0.2642	105,918		
Laredo FPD	General Revenue	13,330,114	0.2628	0.2628	35,032		
Spickard FPD	General Revenue	16,652,824	0.2665	0.2665	44,380		
Galt FPD	General Revenue	13,534,451	0.3000	0.3000	40,603		

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Grundy							
Grundy County Health Department	General Revenue	132,599,802	0.2969	0.2969	393,689		
North Central Missouri College	General Revenue	94,487,427	0.3907	0.3907	369,162		
Grundy County R-V School District	Operating Funds-Schools	11,114,646	5.9207	5.9207	658,065	D	
Spickard R-II School District	Operating Funds-Schools	4,373,204	4.6116	4.6116	201,675	D	
Pleasant View R-VI School District	Operating Funds-Schools	8,234,738	4.8094	4.8094	396,041	D	
Laredo R-VII School District	Operating Funds-Schools	6,356,803	6.1636	5.9936	381,001	BD	
Trenton R-IX School District	Operating Funds-Schools	80,989,187	3.2966	3.2270	2,613,521	D	
	Debt Service	80,989,187	1.0776	0.9000	728,903		
Grundy County	General Revenue	132,599,802	0.3878	0.2009	266,393		
	Developmental Dis. Board	132,599,802	0.0990	0.0990	131,274		
	Senior Services	132,599,802	0.0495	0.0495	65,637		
Harrison							
North Harrison Ambulance District	General Revenue	37,869,774	0.4899	0.4899	185,524		
Noel Adams Ambulance District	General Revenue	94,930,264	0.2791	0.0000	0		
Harrison County Hospital District	General Revenue	126,487,273	0.4413	0.4413	558,188		
Panther Creek Watershed Subdistrict	General Revenue	1,792,110	0.4000	0.4000	7,168	B	
West Fork of Big Creek Subdistrict	General Revenue	14,955,190	0.3872	0.3872	57,906		
East Fork of Big Creek Subdistrict	General Revenue	6,505,120	0.4000	0.4000	26,020	B	
City of Bethany	General Revenue	34,561,614	0.5514	0.5514	190,573		
	Parks & Recreation	34,561,614	0.0000	0.0000	0		
	Streets	34,561,614	0.3119	0.3119	107,798		
Village of Blythedale	General Revenue	756,968	1.0000	1.0000	7,570		
City of Cainsville	General Revenue	1,661,480	0.5540	0.5540	9,205		
	Fire	1,661,480	0.0000	0.0000	0		
	General Revenue-Temp	1,661,480	0.3043	0.3043	5,056		2019
	Gravel	1,661,480	0.5540	0.5540	9,205		
City of Gilman City	General Revenue	1,889,248	0.5193	0.5193	9,811		
	Parks & Recreation	1,889,248	0.0491	0.0491	928		
	Streets	1,889,248	0.1880	0.1880	3,552		
Village of Mount Moriah	General Revenue	520,368	0.5000	0.5000	2,602		
City of New Hampton	General Revenue	1,024,697	0.6800	0.6800	6,968		
	Lights	1,024,697	0.1500	0.1500	1,537		
	Streets	1,024,697	0.3000	0.3000	3,074		
City of Ridgeway	General Revenue	2,227,397	1.0000	1.0000	22,274		
	Parks & Recreation	2,227,397	0.0500	0.0500	1,114		
Adams Township Harrison County	General Revenue	3,160,452	0.0994	0.0994	3,141		
	Road & Bridge	3,160,452	0.4972	0.4972	15,714		
	Special Road and Bridge	3,160,452	0.3500	0.3500	11,062		2019
Bethany Township Harrison County	General Revenue	42,884,561	0.0973	0.0973	41,727		
	Road & Bridge	42,785,149	0.3487	0.3487	149,192		
Butler Township Harrison County	General Revenue	2,516,223	0.0970	0.0970	2,441		
	Road & Bridge	2,516,223	0.4303	0.4303	10,827		
	Special Road and Bridge	2,516,223	0.3583	0.3583	9,016		2019
Clay Township Harrison County	General Revenue	3,353,321	0.0915	0.0915	3,068		
	Road & Bridge	3,353,321	0.4578	0.4578	15,352		
	Special Road and Bridge	3,353,321	0.3429	0.3429	11,499		2019
Colfax Township Harrison County	General Revenue	8,410,366	0.0963	0.0963	8,099		
	Road & Bridge	8,410,366	0.4693	0.4693	39,470		

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Harrison						
Colfax Township Harrison County	Special Road and Bridge	8,410,366	0.3372	0.3372	28,360	2019
Cypress Township Harrison County	General Revenue	3,126,009	0.0999	0.0999	3,123	
	Road & Bridge	3,126,009	0.4382	0.4382	13,698	
	Special Road and Bridge	3,126,009	0.3513	0.3513	10,982	2019
Dallas Township Harrison County	General Revenue	2,766,213	0.0974	0.0974	2,694	
	Road & Bridge	2,766,213	0.4239	0.4239	11,726	
	Special Road and Bridge	2,766,213	0.3500	0.3500	9,682	2019
Fox Creek Township Harrison County	General Revenue	2,630,276	0.0919	0.0919	2,417	
	Road & Bridge	2,630,276	0.4383	0.4383	11,528	
	Special Road and Bridge	2,630,276	0.3459	0.3459	9,098	2019
Grant Township Harrison County	General Revenue	4,534,287	0.1000	0.1000	4,534	
	Road & Bridge	4,534,287	0.5000	0.5000	22,671	
	Special Road and Bridge	4,534,287	0.3518	0.3518	15,952	2019
Hamilton Township Harrison County	General Revenue	3,590,612	0.0965	0.0965	3,465	
	Road & Bridge	3,590,612	0.4826	0.4826	17,328	
	Special Road and Bridge	3,590,612	0.3386	0.3386	12,158	2019
Jefferson Township Harrison County	General Revenue	5,448,125	0.0955	0.0955	5,203	
	Road & Bridge	5,448,125	0.4525	0.4525	24,653	
	Special Road and Bridge	5,448,125	0.3487	0.3487	18,998	2019
Lincoln Township Harrison County	General Revenue	2,731,464	0.0975	0.0975	2,663	
	Road & Bridge	2,731,464	0.4875	0.4875	13,316	
	Special Road and Bridge	2,731,464	0.3422	0.3422	9,347	2019
Madison Township Harrison County	General Revenue	5,468,383	0.0972	0.0972	5,315	
	Road & Bridge	5,468,383	0.4859	0.4859	26,571	
	Special Road and Bridge	5,468,383	0.3533	0.3533	19,320	2019
Marion Township Harrison County	General Revenue	7,840,727	0.0904	0.0904	7,088	
	Road & Bridge	7,840,727	0.4157	0.4157	32,594	
	Special Road and Bridge	7,840,727	0.3538	0.3538	27,740	2019
Sherman Township Harrison County	General Revenue	5,494,467	0.0990	0.0990	5,440	
	Road & Bridge	5,494,467	0.4949	0.4949	27,192	
	Special Road and Bridge	5,494,467	0.3525	0.3525	19,368	2019
Sugar Creek Township Harrison Co	General Revenue	4,810,274	0.0975	0.0975	4,690	
	Road & Bridge	4,810,274	0.3857	0.3857	18,553	
	Special Road and Bridge	4,810,274	0.3490	0.3490	16,788	2019
Trail Creek Township Harrison Co	General Revenue	4,359,171	0.1000	0.1000	4,359	
	Road & Bridge	4,359,171	0.5000	0.5000	21,796	
	Special Road and Bridge	4,359,171	0.3500	0.3500	15,257	2019
Union Township Harrison County	General Revenue	5,634,343	0.0910	0.0910	5,127	
	Road & Bridge	5,634,343	0.4548	0.4548	25,625	
	Special Road and Bridge	5,634,343	0.3240	0.3240	18,255	2019
Washington Township Harrison County	General Revenue	2,287,792	0.0996	0.0996	2,279	
	Road & Bridge	2,287,792	0.4978	0.4978	11,389	
	Special Road and Bridge	2,287,792	0.3485	0.3485	7,973	2019
White Oak Township Harrison County	General Revenue	5,372,440	0.0960	0.0960	5,158	
	Road & Bridge	5,372,440	0.4503	0.4503	24,192	
	Special Road and Bridge	5,372,440	0.3505	0.3505	18,830	2019
Ridgeway FPD	General Revenue	9,413,632	0.3000	0.3000	28,241	
Gilman City FPD	General Revenue	13,396,458	0.2982	0.2982	39,948	

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Harrison							
New Hampton FPD	General Revenue	11,770,416	0.2956	0.2956	34,793		
North Harrison FPD	General Revenue	25,161,961	0.2806	0.2806	70,604		
Cainsville FPD	General Revenue	10,068,079	0.2588	0.2588	26,056		
Harrison County Health Department	General Revenue	126,487,273	0.2943	0.2943	372,252		
Cainsville R-I School District	Operating Funds-Schools	6,278,121	5.9022	5.9022	370,547	D	
South Harrison County R-II SD	Operating Funds-Schools	72,513,971	3.6245	3.6245	2,628,269	D	
	Operating Funds-Temp	72,513,971	0.4000	0.4000	290,056		2034
North Harrison County R-III SD	Operating Funds-Schools	21,796,017	4.3711	4.3711	952,726	D	
Gilman City R-IV School District	Operating Funds-Schools	12,356,722	5.0297	5.0297	621,506	D	
Ridgeway R-V School District	Operating Funds-Schools	8,459,600	6.1236	6.1236	518,032	D	
Harrison County	General Revenue	126,487,273	0.3708	0.3708	469,015		
	Senior Services	126,487,273	0.0490	0.0490	61,979		
Henry							
Windsor Ambulance District	General Revenue	53,320,963	0.6075	0.6075	323,925	B	
Bethlehem SRD 2 Henry County	Road & Bridge	2,910,221	0.5733	0.5733	16,684		
Deerfield Creek SRD Henry County	Road & Bridge	6,988,966	0.1776	0.1776	12,412		
Fields Creek SRD 1 Henry County	Road & Bridge	27,009,191	0.3679	0.3679	99,367		
Honey Creek SRD 1 Henry County	Road & Bridge	2,938,133	0.3873	0.3873	11,379		
Montrose SRD Henry County	Road & Bridge	4,028,261	0.3252	0.3252	13,100		
Mt. Hope SRD Henry County	Road & Bridge	1,842,311	0.4360	0.4360	8,032		
Osage SRD 1 Henry County	Road & Bridge	6,406,015	0.3400	0.3400	21,780		
Shawnee SRD 1 Henry County	Road & Bridge	5,933,369	0.2818	0.2818	16,720		
Wagner SRD Henry County	Road & Bridge	1,178,002	0.3903	0.3903	4,598		
Windsor SRD Henry County	Road & Bridge	35,078,702	0.2795	0.2795	98,045		
Clinton Country Club SRD Henry Co	Road & Bridge	2,707,450	0.2688	0.2680	7,256		
	Special Road and Bridge	2,707,450	0.5590	0.5590	15,135		2021
City of Blairstown	General Revenue	465,992	1.0000	1.0000	4,660		
	Streets	465,992	0.5492	0.5492	2,559	A	2021
Village of Brownington	General Revenue	419,735	0.9999	0.9999	4,197		
City of Calhoun	General Revenue	2,192,760	0.6622	0.6622	14,520		
	Police	2,192,760	0.2500	0.2500	5,482		2020
	Fire	2,192,760	0.2000	0.2000	4,386		2020
City of Clinton	General Revenue	136,617,684	0.5312	0.5312	725,713		
	Parks & Recreation	136,617,684	0.1487	0.1487	203,150		
City of Deepwater	General Revenue	2,344,749	0.8600	0.8600	20,165		
	Lights	2,344,749	0.1500	0.1500	3,517		
	Cemetery	2,344,749	0.1000	0.1000	2,345		
City of Montrose	General Revenue	3,290,668	0.9548	0.9548	31,419		
City of Urich	General Revenue	4,054,577	0.9163	0.9163	37,152		
	Parks & Recreation	4,054,577	0.2827	0.2827	11,462		
City of Windsor	General Revenue	23,739,853	0.6463	0.6463	153,431		
	Library	23,739,853	0.0000	0.0000	0		
	Parks	23,739,853	0.2400	0.2400	56,976		
	Pool	23,739,853	0.1200	0.1200	28,488		
	Recreation	23,739,853	0.0600	0.0600	14,244		
Henry County Library District	General Revenue	355,369,788	0.1952	0.1952	693,682		
Bear Creek Township Henry County	General Revenue	4,133,617	0.1816	0.1809	7,478		
	Road & Bridge	4,133,617	0.3180	0.3168	13,095		

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Henry							
Bear Creek Township Henry County	Special Road and Bridge	4,133,617	0.2504	0.2504	10,351		2021
Bethlehem Township Henry County	General Revenue	13,571,861	0.1219	0.1219	16,544		
	Road & Bridge	10,113,949	0.2733	0.2733	27,641		
Bogard Township Henry County	General Revenue	12,863,932	0.1587	0.1587	20,415		
	Road & Bridge	12,863,932	0.3357	0.3357	43,184		
	Special Road and Bridge	12,863,932	0.2476	0.2476	31,851		2020
Clinton Township Henry County	General Revenue	116,251,460	0.0516	0.0516	59,986		
	Road & Bridge	116,251,460	0.1032	0.1032	119,972		
Davis Township Henry County	General Revenue	8,700,936	0.2000	0.2000	17,402		
	Road & Bridge	8,700,936	0.5000	0.5000	43,505		
Deepwater Township Henry County	General Revenue	9,286,214	0.1670	0.1670	15,508		
	Road & Bridge	2,305,888	0.3379	0.3379	7,792		
Deer Creek Township Henry County	General Revenue	9,549,710	0.1460	0.1460	13,943		
	Road & Bridge	5,881,048	0.4283	0.4283	25,189		
Fairview Township Henry County	General Revenue	8,506,352	0.1542	0.1542	13,117		
	Road & Bridge	8,506,352	0.3289	0.3289	27,977		
Fields Creek Township Henry County	General Revenue	50,317,338	0.1647	0.1647	82,873		
	Road & Bridge	17,806,977	0.3100	0.3100	55,202		
Honey Creek Township Henry County	General Revenue	4,988,777	0.1454	0.1454	7,254		
	Road & Bridge	2,050,643	0.1328	0.1328	2,723		
Leesville Township Henry County	General Revenue	18,648,078	0.1325	0.1325	24,709		
	Road & Bridge	18,648,078	0.2653	0.2653	49,473		
Osage Township Henry County	General Revenue	12,692,453	0.1372	0.1372	17,414		
	Road & Bridge	6,286,439	0.3214	0.3214	20,205		
Shawnee Township Henry County	General Revenue	9,914,058	0.1538	0.1538	15,248		
	Road & Bridge	3,980,689	0.4141	0.4141	16,484		
Springfield Township Henry County	General Revenue	5,556,967	0.1799	0.1799	9,997		
	Road & Bridge	5,556,967	0.4499	0.4499	25,001		
Tebo Township Henry County	General Revenue	10,625,346	0.1655	0.1655	17,585		
	Road & Bridge	10,625,346	0.3604	0.3604	38,294		
	Special Road and Bridge	10,625,346	0.1793	0.1793	19,051		2019
Walker Township Henry County	General Revenue	7,749,387	0.1653	0.1653	12,810		
	Road & Bridge	7,749,387	0.2521	0.2521	19,536		
White Oak Township Henry County	General Revenue	9,104,009	0.1866	0.1866	16,988		
	Road & Bridge	9,104,009	0.3938	0.3938	35,852		
Windsor Township Henry County	General Revenue	35,078,702	0.1469	0.1469	51,531		
Big Creek Township Henry County	General Revenue	7,530,590	0.2000	0.2000	15,061		
	Road & Bridge	7,530,590	0.3471	0.3471	26,139		
Tightwad FPD	General Revenue	18,620,738	0.2859	0.2859	53,237		
Henry County Health Center	General Revenue	355,369,788	0.0974	0.0974	346,130		
Henry County R-I School District	Operating Funds-Schools	49,024,919	3.0611	3.0611	1,500,702	D	
	Debt Service	49,024,919	0.5520	0.5000	245,125		
Shawnee R-III School District	Operating Funds-Schools	10,613,892	4.0367	4.0367	428,451	D	
	Debt Service	10,613,892	0.4732	0.4584	48,654		
Calhoun R-VIII School District	Operating Funds-Schools	12,016,164	4.0101	4.0101	481,860	D	
Leesville R-IX School District	Operating Funds-Schools	18,187,941	3.3368	3.3368	606,895	D	
Davis R-XII School District	Operating Funds-Schools	13,809,138	4.6462	4.4192	610,253	BD	
Montrose R-XIV School District	Operating Funds-Schools	11,942,664	4.4281	4.3342	517,619	D	

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Henry							
Montrose R-XIV School District	Debt Service	11,942,664	0.8011	0.8000	95,541		
Clinton School District	Operating Funds-Schools	184,174,403	3.5179	3.5179	6,479,071	D	
	Operating Funds-Temp	184,174,403	0.0000	0.0000	0		2027
	Debt Service	184,174,403	1.3751	0.8768	1,614,841		
Henry County	General Revenue	355,369,788	0.2482	0.0675	239,875		
	Senior Services	355,369,788	0.0486	0.0486	172,710		
Hickory							
City of Cross Timbers	General Revenue	962,066	0.3926	0.3926	3,777		
City of Hermitage	General Revenue	5,648,667	0.4966	0.4966	28,051		
City of Weaubleau	General Revenue	3,063,397	0.3757	0.3757	11,509		
City of Wheatland	General Revenue	4,782,306	0.3187	0.3187	15,241		
Hickory County Library District	General Revenue	130,785,890	0.1302	0.1302	170,283		
Hickory County Health Department	General Revenue	130,785,890	0.1516	0.1516	198,271		
Hickory County R-I School District	Operating Funds-Schools	47,524,132	2.8853	2.8853	1,371,214	D	
	Debt Service	47,524,132	0.8344	0.8101	384,993		
Wheatland R-II School District	Operating Funds-Schools	40,634,163	2.9450	2.9450	1,196,676	D	
	Debt Service	40,634,163	0.5276	0.4136	168,063		
Weaubleau R-III School District	Operating Funds-Schools	25,430,656	2.7500	2.7500	699,343	D	
	Debt Service	25,430,656	0.8983	0.8900	226,333		
Hermitage R-IV School District	Operating Funds-Schools	45,212,727	2.7500	2.7500	1,243,350	D	
	Debt Service	45,212,727	0.4633	0.4633	209,471		
Hickory County	General Revenue	130,785,890	0.3162	0.1859	243,131		
	Road & Bridge	130,785,890	0.2418	0.2418	316,240		
Holt							
Corning SRD Holt County	Special Road and Bridge	4,929,739	0.3323	0.3323	16,382		2021
S Union Twsp Independent SRD Holt	Special Road and Bridge	3,255,779	0.3469	0.3469	11,294		2020
Village of Bigelow	General Revenue	480,867	0.7583	0.7583	3,646		
Village of Corning	General Revenue	180,847	0.3522	0.3522	637		
	Lights	180,847	0.1803	0.1803	326		
City of Craig	General Revenue	1,468,927	1.0000	1.0000	14,689		
	Motor Fuel	1,468,927	0.4000	0.4000	5,876		
City of Forest City	General Revenue	2,860,147	1.0000	1.0000	28,601		
	Police	2,860,147	0.3053	0.3053	8,732		2025
Village of Fortescue	General Revenue	386,893	0.7000	0.7000	2,708		
City of Maitland	General Revenue	2,384,513	0.9912	0.9912	23,635		
	Lights	2,384,513	0.3500	0.3500	8,346		
	Health	2,384,513	0.1500	0.1500	3,577		
	General Revenue-Temp	2,384,513	0.2584	0.2584	6,162		2020
City of Mound City	General Revenue	12,774,819	0.8172	0.8172	104,396		
	Parks & Recreation	12,774,819	0.2919	0.2919	37,290		
	Lights	12,774,819	0.3126	0.3126	39,934		2021
	Library	12,774,819	0.4080	0.4080	52,121		
	Health	12,774,819	0.1752	0.1752	22,381		
City of Oregon	General Revenue	7,684,487	1.0000	1.0000	76,845		
	Library	7,684,487	0.3895	0.3895	29,931		
	Health	7,684,487	0.1854	0.1854	14,247		
	Debt Service	7,684,487	0.0000	0.0000	0		
Village of Big Lake	General Revenue	6,349,336	0.2991	0.2991	18,991		

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Holt							
Village of Big Lake	Health	6,349,336	0.1327	0.1327	8,426		
	General Revenue-Temp	6,349,336	0.3024	0.3024	19,200		2020
Mound City Rural FPD	General Revenue	49,174,330	0.2027	0.2027	99,676		
Southern FPD of Holt County	General Revenue	47,691,087	0.2189	0.2189	104,396		
Northwest Holt County FPD	General Revenue	26,048,576	0.3940	0.3940	102,631		
Maitland Volunteer FPD	General Revenue	8,434,218	0.3000	0.3000	25,303		
Craig R-III School District	Operating Funds-Schools	26,142,522	4.4407	4.4407	1,160,911	D	
Mound City R-2 School District	Operating Funds-Schools	32,332,413	3.6399	3.6399	1,176,868	D	
	Operating Funds-Temp	32,332,413	0.4245	0.4245	137,251		2033
South Holt County R-I SD	Operating Funds-Schools	35,614,318	3.3094	3.3094	1,178,620	D	
Holt County	General Revenue	149,113,391	0.4016	0.4016	598,839		
	Johnson Grass	149,113,391	0.0369	0.0369	55,023		
	Road & Bridge	149,113,391	0.4066	0.4066	606,295		
	Senior Services	149,113,391	0.0461	0.0461	68,741		
Howard							
Howard County Ambulance District	General Revenue	130,851,013	0.3000	0.3000	392,553		
Moniteau Creek WSD	General Revenue	14,456,190	0.3200	0.3200	46,260		
Armstrong SRD Howard County	Special Road and Bridge	9,362,338	0.3570	0.3570	33,424		2020
Glasgow SRD 60 Howard County	Special Road and Bridge	25,508,576	0.3556	0.3556	90,708		2020
City of Armstrong	General Revenue	1,723,515	0.8800	0.8800	15,167		
City of Fayette	General Revenue	17,903,307	0.5729	0.5729	102,568		
City of Franklin	General Revenue	483,535	1.0000	1.0000	4,835		
City of New Franklin	General Revenue	7,579,221	0.6518	0.6518	49,401		
City of Glasgow	General Revenue	12,449,562	0.5713	0.5713	71,124		
	Parks & Recreation	12,449,562	0.2687	0.2687	33,452		
	Library	12,449,562	0.2500	0.2500	31,124		
	Debt Service	12,449,562	0.3461	0.3461	43,088		
Howard County Library District	General Revenue	119,030,367	0.1000	0.1000	119,030		
Howard County FPD	General Revenue	74,853,535	0.3000	0.3000	224,561		
	Debt Service	74,853,535	0.2695	0.1515	113,403		
Armstrong FPD	General Revenue	17,583,009	0.2902	0.2902	51,026		
Glasgow Volunteer FPD	General Revenue	37,156,894	0.2695	0.2695	100,138		
New Franklin R-I School District	Operating Funds-Schools	29,137,366	3.4266	3.4266	998,421	D	
	Debt Service	29,137,366	1.0942	0.7020	204,544		
Fayette R-III School District	Operating Funds-Schools	55,339,334	4.3398	4.2200	2,335,320	BD	
	Debt Service	55,339,334	0.8761	0.7762	429,544		
Glasgow School District	Operating Funds-Schools	27,669,168	4.8431	4.8431	1,340,045	D	
Howard County	General Revenue	130,851,013	0.4113	0.2778	363,504		
	Road & Bridge	95,122,800	0.3083	0.3083	293,264		
	Developmental Dis. Board	130,851,013	0.1000	0.1000	130,851		
Howell							
South Howell Ambulance District	General Revenue	352,275,975	0.2000	0.2000	704,552		
Willow Springs Ambulance District	General Revenue	86,380,205	0.2100	0.2100	181,398		
Mountain View-Summersville AD	General Revenue	85,702,605	0.1898	0.1898	162,664		
City of Mountain View	General Revenue	25,546,871	0.0000	0.0000	0		
	Library	25,546,871	0.0000	0.0000	0		
City of West Plains	General Revenue	157,468,369	0.3180	0.3180	500,749		
	Library	157,468,369	0.2000	0.2000	314,937		

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Howell							
City of Willow Springs	General Revenue	19,607,984	0.5173	0.5173	101,432		
	Library	19,607,984	0.1651	0.1651	32,373		
Howell County Rural FPD 1	General Revenue	114,213,509	0.2673	0.2673	305,293		
Pomona FPD	General Revenue	26,168,310	0.3000	0.3000	78,505		
Brandsville FPD	General Revenue	11,808,630	0.2923	0.2923	34,517		
Pumpkin Center FPD	General Revenue	4,159,480	0.3000	0.3000	12,478		
Howell County Health Department	General Revenue	483,098,882	0.0970	0.0960	463,775		
Howell Valley R-I School District	Operating Funds-Schools	25,931,420	4.0383	4.0383	1,047,189	D	
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	74,770,488	2.7641	2.7641	2,066,731	D	
	Operating Funds-Temp	74,770,488	0.8527	0.8527	637,568		2028
Willow Springs R-IV School District	Operating Funds-Schools	77,226,612	2.7500	2.7500	2,123,732	D	
Richards R-V School District	Operating Funds-Schools	43,016,783	2.7500	2.7500	1,182,962	E	
West Plains R-VII School District	Operating Funds-Schools	163,233,653	3.8159	3.8159	6,228,833	D	
Glenwood R-VIII School District	Operating Funds-Schools	30,491,680	3.1508	3.1508	960,732	D	
Junction Hill C-12 School District	Operating Funds-Schools	19,357,840	3.4215	3.4215	662,328	D	
Fairview R-XI School District	Operating Funds-Schools	50,980,308	3.6676	3.6577	1,864,707	D	
Howell County	General Revenue	487,449,832	0.2832	0.0000	0		
	Road & Bridge	487,449,832	0.2152	0.1775	865,223		
	Developmental Dis. Board	487,449,832	0.0582	0.0582	283,696		
Iron							
Iron County Ambulance District	General Revenue	211,837,918	0.1396	0.0324	68,635		
Iron County SRD 1	Road & Bridge	211,837,918	0.2811	0.2811	595,476		
City of Annapolis	General Revenue	18,112,000	0.4133	0.4133	74,857		
City of Arcadia	General Revenue	5,116,334	0.4952	0.4952	25,336		
Village of Des Arc	General Revenue	665,726	0.4449	0.4279	2,849		
City of Ironton	General Revenue	14,037,741	0.5988	0.5988	84,058		
	Parks & Recreation	14,037,741	0.1712	0.1712	24,033		
City of Pilot Knob	General Revenue	6,278,861	0.4346	0.4346	27,288		
City of Viburnum	General Revenue	8,886,879	1.0000	1.0000	88,869		
	Parks & Recreation	8,886,879	0.2300	0.2300	20,440		
	Solid Waste Landfill	8,886,879	0.1000	0.1000	8,887		
	Health	8,886,879	0.2000	0.2000	17,774		
Iron County Library District	General Revenue	211,837,918	0.2076	0.2076	439,776		
Quad County FPD	General Revenue	94,820,554	0.3525	0.3525	334,242		
Southern Iron County FPD	General Revenue	40,474,111	0.2304	0.2304	93,252		
Pilot Knob FPD	General Revenue	62,690,219	0.2840	0.2840	178,040		
Iron County Health Department	General Revenue	211,837,918	0.0933	0.0933	197,645		
South Iron County R-I SD	Operating Funds-Schools	37,906,717	3.9021	3.9021	1,479,158	D	
Arcadia Valley R-II School District	Operating Funds-Schools	55,212,347	2.7500	2.7500	1,518,340	E	
	Debt Service	55,212,347	0.7066	0.6200	342,317		
Belleview R-III School District	Operating Funds-Schools	12,177,450	2.7500	2.7500	334,880	D	
Iron County C-4 School District	Operating Funds-Schools	90,166,875	3.4300	3.4300	3,092,724	D	
Iron County	General Revenue	211,837,918	0.3953	0.2817	596,747		
	Developmental Dis. Board	211,837,918	0.0933	0.0933	197,645		
Jackson							
PWSD 17 Jackson County	General Revenue	111,306,732	0.0512	0.0512	56,989		
City of Blue Springs	General Revenue	1,024,281,766	0.4963	0.4963	5,083,510		
	Debt Service	1,024,281,766	0.2307	0.1500	1,536,423		

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Jackson							
City of Buckner	General Revenue	30,001,057	0.5296	0.5296	158,886		
City of Grain Valley	General Revenue	240,893,157	0.4923	0.4923	1,185,917		
	Parks & Recreation	240,893,157	0.1087	0.1087	261,851		
	Health	240,893,157	0.0433	0.0433	104,307		
	Debt Service	240,893,157	0.9551	0.9551	2,300,771		
City of Grandview	General Revenue	367,925,767	0.8175	0.8175	3,007,793		
	Parks & Recreation	367,925,767	0.0981	0.0981	360,935		
	Debt Service	367,925,767	0.3800	0.3800	1,398,118		
City of Greenwood	General Revenue	95,289,903	0.3874	0.3874	369,153		
	Fire	95,289,903	0.5258	0.5258	501,034		2019
	Hydrant	95,289,903	0.0168	0.0168	16,009		2019
	Debt Service	95,289,903	0.3120	0.3120	297,304		
City of Independence	General Revenue	1,340,583,842	0.4132	0.4132	5,539,292		
	Health & Recreation	1,340,583,842	0.1946	0.1946	2,608,776		
	Indep. Sq. Spec. Benefit	4,700,042	0.5614	0.5614	26,386		
City of Kansas City	General Revenue	9,546,671,827	0.6094	0.6094	58,177,418		
	Museum	9,546,671,827	0.0169	0.0169	1,613,388		
	Health	9,546,671,827	0.4234	0.4234	40,420,609		
	Health-Temp	9,546,671,827	0.1863	0.1863	17,785,450		2022
	Debt Service	9,546,671,827	0.9843	0.3600	34,368,019		
City of Lake Lotawana	General Revenue	129,916,783	0.3140	0.3140	407,939		
City of Lake Tapawingo	General Revenue	21,458,465	0.7873	0.7873	168,942		
	Debt Service	21,458,465	2.5823	1.5000	321,877		
City of Levasy	General Revenue	810,743	0.9740	0.9740	7,897		
City of Lone Jack	General Revenue	27,581,424	0.6370	0.6370	175,694		
	Debt Service	27,581,424	0.3734	0.3734	102,989		
City of Oak Grove	General Revenue	117,743,588	0.5662	0.5662	666,664		
	Debt Service	117,743,588	0.9161	0.1985	233,721		
City of Raytown	General Revenue	373,829,323	0.3090	0.3090	1,155,133		
	Parks & Recreation	374,337,560	0.1540	0.1540	576,480		
Village of Sibley	General Revenue	4,337,690	0.3666	0.3666	15,902		
City of Sugar Creek	General Revenue	56,548,799	0.8477	0.8477	479,364		
	Health	56,548,799	0.1102	0.1102	62,317		
City of Lee's Summit	General Revenue	2,378,473,428	0.7851	0.7851	18,673,395		
	Parks & Recreation	2,378,473,428	0.1388	0.1388	3,301,321		
	Debt Service	2,378,473,428	0.4824	0.4697	11,171,690		
Village of River Bend	General Revenue	3,539,606	0.3281	0.3281	11,613		
Mid Continent Library District	General Revenue	15,535,226,137	0.3633	0.3633	56,439,477		
Kansas City Public Library District	General Revenue	4,386,661,859	0.5644	0.5644	24,758,320	B	
Central Jackson County FPD	General Revenue	1,309,918,553	0.9173	0.7614	9,973,720		
	Ambulance	1,309,918,553	0.1310	0.1310	1,715,993		
	Dispatch	1,309,918,553	0.0168	0.0168	220,066		
	Debt Service	1,309,918,553	0.1328	0.1200	1,571,902		
Lone Jack Community FPD	General Revenue	116,245,245	0.7190	0.7190	835,803		
	Ambulance	116,245,245	0.2543	0.2543	295,612		
Prairie Township FPD	General Revenue	177,032,470	0.6499	0.6499	1,150,534		
	Ambulance	177,032,470	0.2635	0.2635	466,481		
Raytown FPD	General Revenue	367,839,195	0.6808	0.6808	2,504,249		

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Jackson							
Raytown FPD	Pension	367,839,195	0.0436	0.0436	160,378		
	Ambulance	367,839,195	0.3000	0.3000	1,103,518	A	
	Debt Service	367,839,195	0.3030	0.3000	1,103,518		
Lotawana FPD	General Revenue	135,285,273	0.3501	0.3501	473,634		
	Ambulance	135,285,273	0.1663	0.1663	224,979		
	Debt Service	135,285,273	0.2224	0.1500	202,928		
Fort Osage FPD	General Revenue	202,823,655	0.7994	0.7994	1,621,372		
	Ambulance	202,823,655	0.4626	0.4626	938,262		
	Dispatch	202,823,655	0.0277	0.0277	56,182		
	Debt Service	202,823,655	0.3785	0.2800	567,906		
Inter City FPD	General Revenue	14,442,748	0.6002	0.2212	31,947		
	Ambulance	14,442,748	0.3168	0.3168	45,755		
	Ambulance/EMS	14,442,748	0.4223	0.4223	60,992		
	Debt Service	14,442,748	0.2543	0.2543	36,728		
Jackson County Health Department	General Revenue	12,855,147,736	0.2616	0.1801	23,152,121		
Metropolitan Community College	General Revenue	17,135,761,309	0.2047	0.2047	35,076,903		
Fort Osage R-I School District	Operating Funds-Schools	318,259,729	4.6768	4.6768	14,884,371	D	
	Debt Service	318,259,729	2.1945	1.6932	5,388,774		
Blue Springs R-IV School District	Operating Funds-Schools	1,721,867,538	4.6218	4.2418	73,038,177		
	Debt Service	1,721,867,538	1.3091	1.3082	22,525,471		
Grain Valley R-V School District	Operating Funds-Schools	365,427,418	3.2970	3.2970	12,048,142	D	
	Debt Service	365,427,418	1.8160	1.7000	6,212,266		
Oak Grove R-VI School District	Operating Funds-Schools	160,066,973	3.3227	3.3227	5,318,545	D	
	Debt Service	160,066,973	1.7813	1.7140	2,743,548		
Lee's Summit R-VII School District	Operating Funds-Schools	2,369,985,257	4.3922	4.2580	100,913,972	E	
	Debt Service	2,369,985,257	1.0700	1.0700	25,358,842		
Hickman Mills C-1 School District	Operating Funds-Schools	501,235,452	4.4784	4.4784	22,447,328	D	
	Debt Service	501,235,452	1.2105	1.1000	5,513,590		
Raytown C-2 School District	Operating Funds-Schools	749,676,117	5.1600	5.1600	38,683,288	BD	
	Debt Service	749,676,117	1.9689	1.1600	8,696,243		
Grandview C-4 School District	Operating Funds-Schools	578,528,709	4.0930	4.0930	23,679,180	D	
	Debt Service	578,528,709	1.1058	1.0500	6,074,551		
Lone Jack C-6 School District	Operating Funds-Schools	71,395,596	3.4737	3.4737	2,480,069	D	
	Debt Service	71,395,596	1.8994	1.8747	1,338,453		
Independence 30 School District	Operating Funds-Schools	1,138,719,492	4.1582	4.1582	47,350,234	D	
	Debt Service	1,138,719,492	6.3076	1.3395	15,253,148		
Kansas City 33 School District	Operating Funds-Schools	4,002,558,478	2.6849	2.4297	97,250,163		
	Article X, Section 11(g)	4,002,558,478	2.5302	2.5302	101,272,735	F	2019
Center 58 School District	Operating Funds-Schools	562,928,856	4.5374	4.5374	25,542,334	D	
	Debt Service	562,928,856	1.3304	0.9000	5,066,360		
Jackson County	General Revenue	12,855,147,736	0.2446	0.2446	31,443,691		
	Parks & Recreation	12,855,147,736	0.1317	0.1203	15,464,743		
	Road & Bridge	12,855,147,736	0.2446	0.0660	8,484,398		
	Developmental Dis. Board	12,855,147,736	0.0620	0.0620	7,970,192		
	Mental Health	12,855,147,736	0.1008	0.1008	12,957,989		
Jasper							
Carl Junction SRD Jasper County	Road & Bridge	73,063,948	0.3032	0.3032	221,530		
Carthage SRD Jasper County	Road & Bridge	349,577,163	0.2407	0.2407	841,432		

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Jasper						
Joplin SRD Newton-Jasper County	Road & Bridge	1,257,649,661	0.2270	0.2270	2,854,865	
City of Alba	General Revenue	4,173,078	0.6179	0.6179	25,785	
	Parks & Recreation	4,173,078	0.1629	0.1629	6,798	
City of Asbury	General Revenue	2,240,290	0.4885	0.4885	10,944	
Village of Avilla	General Revenue	990,854	0.1861	0.1861	1,844	
City of Carl Junction	General Revenue	90,786,004	0.4892	0.4892	444,125	
	Debt Service	90,786,004	0.4216	0.4216	382,754	
City of Carterville	General Revenue	10,203,598	0.6396	0.6396	65,262	
	Debt Service	10,203,598	1.3935	1.3935	142,187	
City of Carthage	General Revenue	127,063,897	0.3528	0.3528	448,281	
	Parks & Recreation	127,063,897	0.1522	0.1522	193,391	
	Library	127,063,897	0.1762	0.1762	223,887	
	Health	127,063,897	0.0802	0.0802	101,905	
City of Duenweg	General Revenue	10,308,802	0.7265	0.7265	74,893	
City of Jasper	General Revenue	7,813,821	0.7763	0.7763	60,659	
City of La Russell	General Revenue	956,998	0.0000	0.0000	0	
City of Neck City	General Revenue	1,327,698	0.2558	0.2558	3,396	
City of Oronogo	General Revenue	23,526,424	0.2728	0.2728	64,180	
	Streets	23,526,424	0.1302	0.1302	30,631	
City of Purcell	General Revenue	3,483,803	0.2771	0.2771	9,654	
Village of Reeds	General Revenue	940,353	0.1605	0.1605	1,509	
City of Sarcoxie	General Revenue	10,742,522	0.5751	0.5751	61,780	
	Parks & Recreation	10,742,522	0.1099	0.1099	11,806	
	Health	10,742,522	0.0000	0.0000	0	
City of Waco	General Revenue	687,375	0.2499	0.2499	1,718	
City of Webb City	General Revenue	114,111,587	0.3796	0.3796	433,168	
	Parks & Recreation	114,111,587	0.0861	0.0861	98,250	
	Library	114,111,587	0.2556	0.2556	291,669	
City of Joplin	Parks & Recreation	618,302,725	0.0599	0.0599	370,363	
	Library	542,946,223	0.2545	0.2545	1,381,798	
	Solid Waste Landfill	618,302,725	0.0599	0.0599	370,363	
	Health	618,302,725	0.0599	0.0599	370,363	
Carthage FPD	General Revenue	164,550,480	0.2645	0.2600	427,831	
Duenweg Volunteer FPD	General Revenue	115,723,863	0.2887	0.2887	334,095	
Carl Junction FPD	General Revenue	231,371,412	0.2524	0.2524	583,981	
Oronogo FPD	General Revenue	52,695,799	0.5851	0.5851	308,323	
Central Jasper County FPD	General Revenue	32,400,235	0.2845	0.2845	92,179	
Tri-Cities FPD	General Revenue	34,703,412	0.6224	0.6224	215,994	
Asbury FPD	General Revenue	17,787,829	0.2971	0.2971	52,848	
Jasper Volunteer FPD	General Revenue	37,781,386	0.2926	0.2926	110,548	
Sarcoxie Rural FPD	General Revenue	37,710,596	0.2289	0.2289	86,320	
Carl Junction R-I School District	Operating Funds-Schools	256,664,112	3.0206	3.0206	7,752,796	D
	Debt Service	256,664,112	1.0828	0.9924	2,547,135	
Avilla R-XIII School District	Operating Funds-Schools	21,497,946	3.5636	3.5625	765,864	D
Jasper County R-V School District	Operating Funds-Schools	44,452,912	3.4013	3.4013	1,511,977	D
Sarcoxie R-II School District	Operating Funds-Schools	38,399,488	3.3060	3.3000	1,267,183	D
	Debt Service	38,399,488	0.5375	0.0000	0	
Carthage R-IX School District	Operating Funds-Schools	324,178,600	2.8515	2.8474	9,230,661	D

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Jasper							
Carthage R-IX School District	Operating Funds-Temp	324,178,600	0.3026	0.3026	980,964		2024
	Debt Service	324,178,600	0.9143	0.8300	2,690,682		
Webb City R-VII School District	Operating Funds-Schools	263,270,099	2.7500	2.7500	7,239,928	D	
	Debt Service	263,270,099	0.9165	0.6800	1,790,237		
Joplin R-VIII School District	Operating Funds-Schools	931,507,071	2.7945	2.7864	25,955,513	D	
	Debt Service	931,507,071	1.1784	0.9100	8,476,714		
Jasper County	General Revenue	1,744,091,646	0.3176	0.1195	2,084,190		
	Common Road District	452,170,427	0.2100	0.2100	949,558		
	Developmental Dis. Board	1,744,091,646	0.0865	0.0865	1,508,639		
	Mental Health	1,744,091,646	0.0865	0.0865	1,508,639		
Jefferson							
Big River Ambulance District	General Revenue	317,679,254	0.3958	0.3110	987,982		
Joachim-Plattin Ambulance District	General Revenue	904,160,569	0.3214	0.1508	1,363,474		
North Jefferson Ambulance District	General Revenue	389,028,884	0.4755	0.2781	1,081,889		
	Pension	389,028,884	0.0480	0.0480	186,734		
Valle Ambulance District	General Revenue	426,704,587	0.4369	0.3000	1,280,114		
Rock Township Ambulance District	General Revenue	1,319,283,091	0.2001	0.1148	1,514,537		
	Debt Service	1,319,283,091	0.1221	0.1000	1,319,283		
Festus SRD Jefferson County	Road & Bridge	551,287,504	0.1785	0.1785	984,048		
Hillsboro SRD Jefferson County	Road & Bridge	29,698,806	0.1926	0.1926	57,200		
City of Arnold	General Revenue	311,089,396	0.3837	0.3837	1,193,650		
Village of Cedar Hill Lakes	General Revenue	2,145,399	0.4848	0.4848	10,401		
City of Crystal City	General Revenue	82,535,642	0.5037	0.5037	415,732		
	Parks & Recreation	82,535,642	0.1330	0.1330	109,772		
	Library	82,535,642	0.1330	0.1330	109,772		
City of De Soto	General Revenue	73,722,499	0.4376	0.4376	322,610		
	Parks & Recreation	73,722,499	0.1117	0.1117	82,348		
	Library	73,722,499	0.3500	0.3500	258,029	B	
City of Festus	General Revenue	184,036,856	0.3577	0.3577	658,300		
	Parks & Recreation	184,036,856	0.1088	0.1088	200,232		
	Library	184,036,856	0.1088	0.1088	200,232		
	Health	184,036,856	0.0790	0.0790	145,389		
City of Herculaneum	General Revenue	77,836,432	0.7178	0.7178	558,710		
City of Hillsboro	General Revenue	44,511,152	0.4381	0.4381	195,003		
	Parks & Recreation	44,511,152	0.0785	0.0785	34,941		
City of Kimmswick	General Revenue	2,628,863	0.0000	0.0000	0		
City of Olympian Village	General Revenue	4,679,651	0.2458	0.2458	11,503		
	Streets	4,679,651	0.1277	0.1277	5,976		
Village of Parkdale	General Revenue	1,607,896	0.1932	0.1932	3,106		
City of Pevely	General Revenue	101,556,502	0.8869	0.8869	900,705		
Village of Scotsdale	General Revenue	3,437,236	0.3270	0.3270	11,240		
City of Byrnes Mill	General Revenue	44,305,552	0.3887	0.3887	172,216		
Village of Lake Tekakwitha	General Revenue	1,951,350	0.4763	0.4763	9,294		
Northwest Library Subdistrict	General Revenue	661,444,439	0.2788	0.2788	1,844,107		
Windsor-Fox Library Subdistrict	General Revenue	1,294,729,563	0.2773	0.2773	3,590,285		
Antonia FPD	General Revenue	234,571,001	1.0117	0.9376	2,199,338		
	Pension	234,571,001	0.0432	0.0432	101,335		
	Dispatch	234,571,001	0.0258	0.0258	60,519		

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Jefferson						
Cedar Hill FPD	General Revenue	184,130,872	1.3013	1.3013	2,396,095	
	Pension	184,130,872	0.0459	0.0459	84,516	
Dunklin FPD	General Revenue	179,336,282	0.6475	0.6475	1,161,202	
	Pension	179,336,282	0.0485	0.0485	86,978	
Goldman FPD	General Revenue	68,618,663	1.1517	1.1517	790,281	
	Dispatch	68,618,663	0.0458	0.0458	31,427	
Hematite FPD	General Revenue	79,221,111	0.7333	0.7333	580,928	B
High Ridge FPD	General Revenue	462,658,338	1.0319	0.8229	3,807,215	
	Pension	462,658,338	0.0738	0.0738	341,442	
	Dispatch	462,658,338	0.0461	0.0461	213,285	
	Debt Service	462,658,338	0.0000	0.0000	0	
Hillsboro FPD	General Revenue	148,631,424	0.6147	0.5217	775,410	
Jefferson R-7 FPD	General Revenue	202,030,612	0.5989	0.5989	1,209,961	
Rock Community FPD	General Revenue	817,859,999	1.2839	1.0152	8,302,915	
	Pension	817,859,999	0.0914	0.0914	747,524	
	Dispatch	817,859,999	0.0452	0.0452	369,673	
	Debt Service	817,859,999	0.0815	0.0815	666,556	
De Soto Rural FPD	General Revenue	219,790,282	1.1392	1.1392	2,503,851	
Mapaville FPD	General Revenue	61,192,678	0.9890	0.9890	605,196	
Saline Valley FPD	General Revenue	282,613,310	1.4058	1.4058	3,972,978	
	Pension	282,613,310	0.0835	0.0835	235,982	
	Dispatch	282,613,310	0.0372	0.0372	105,132	
Jefferson County Health Department	General Revenue	3,460,242,589	0.1073	0.1073	3,712,840	
Jefferson College	General Revenue	3,384,473,940	0.3298	0.3298	11,161,995	
Northwest R-I School District	Operating Funds-Schools	624,136,623	3.9001	3.9001	24,341,952	D
	Debt Service	624,136,623	0.7943	0.5896	3,679,910	
Grandview R-II School District	Operating Funds-Schools	57,912,290	3.5999	3.5982	2,083,800	D
	Debt Service	57,912,290	1.4695	1.0795	625,163	
Hillsboro R-III School District	Operating Funds-Schools	291,697,896	3.6368	3.6368	10,608,469	D
	Debt Service	291,697,896	0.9875	0.9817	2,863,598	
Dunklin R-V School District	Operating Funds-Schools	163,782,336	4.0697	4.0697	6,665,450	D
	Debt Service	163,782,336	1.3109	0.8500	1,392,150	
Festus R-VI School District	Operating Funds-Schools	285,432,582	4.3446	4.3446	12,400,904	BD
Jefferson County R-VII SD	Operating Funds-Schools	197,088,483	3.8729	3.8729	7,633,040	D
	Debt Service	197,088,483	0.8835	0.7238	1,426,526	
Sunrise R-IX School District	Operating Funds-Schools	38,867,477	3.3091	3.3091	1,286,164	D
	Debt Service	38,867,477	1.2065	1.2065	468,936	
Windsor C-1 School District	Operating Funds-Schools	236,297,933	3.4457	3.4457	8,142,118	D
	Debt Service	236,297,933	1.5873	1.3167	3,111,335	
Fox C-6 School District	Operating Funds-Schools	1,009,268,850	4.1202	4.1202	41,583,895	D
	Debt Service	1,009,268,850	0.3901	0.3901	3,937,158	
Crystal City 47 School District	Operating Funds-Schools	63,731,168	4.0573	4.0573	2,585,765	D
	Debt Service	63,731,168	0.8922	0.8000	509,849	
De Soto 73 School District	Operating Funds-Schools	202,990,561	3.5999	3.5999	7,307,457	BD
	Debt Service	202,990,561	0.9099	0.7897	1,603,016	
Jefferson County	General Revenue	3,460,242,589	0.1820	0.0045	155,711	
	Parks & Recreation	3,460,242,589	0.0272	0.0272	941,186	
	Road & Bridge	2,879,249,642	0.2404	0.2404	6,921,716	

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Jefferson							
Jefferson County	Developmental Dis. Board	3,460,242,589	0.0910	0.0910	3,148,821		
	Mental Health	3,460,242,589	0.0910	0.0910	3,148,821		
	Police	1,927,263,085	0.3500	0.3500	6,745,421		
Johnson							
Johnson County Ambulance District	General Revenue	661,522,528	0.2934	0.2934	1,940,907		
Western Missouri Medical Center	General Revenue	669,027,270	0.1464	0.1464	979,456		
South Fork of Blackwater WSD	General Revenue	43,719,104	0.4000	0.2500	109,298	B	
City of Centerview	General Revenue	1,525,786	0.8483	0.8483	12,943		
City of Chilhowee	General Revenue	1,478,269	1.0000	1.0000	14,783		
City of Holden	General Revenue	20,126,603	0.7292	0.7292	146,763		
	Debt Service	20,126,603	0.1889	0.1889	38,019		
City of Kingsville	General Revenue	4,217,660	0.7500	0.7500	31,632		
City of Knob Noster	General Revenue	23,643,605	0.6905	0.6905	163,259		
	Fire	23,643,605	0.3005	0.3005	71,049		2020
	Debt Service	23,643,605	0.4799	0.4799	113,466		
City of Leeton	General Revenue	3,403,918	0.9079	0.8957	30,489		
City of Warrensburg	General Revenue	224,108,803	0.3608	0.3608	808,585		
	Parks & Recreation	224,108,803	0.1960	0.1960	439,253		
	Debt Service	224,108,803	0.9153	0.5900	1,322,242		
Trails Consolidated PLD	General Revenue	1,108,013,248	0.2581	0.2581	2,859,782		
Johnson County FPD 2	General Revenue	140,775,872	0.3557	0.3557	500,740		
Johnson County FPD	General Revenue	251,559,049	0.6220	0.6220	1,564,697		
	Debt Service	251,559,049	0.1780	0.1780	447,775		
Johnson County Community Health	General Revenue	669,027,270	0.0978	0.0978	654,309		
Kingsville R-I School District	Operating Funds-Schools	25,672,725	4.2337	4.1500	1,065,418	BD	
	Debt Service	25,672,725	0.7147	0.6662	171,032		
Holden R-III School District	Operating Funds-Schools	105,904,993	3.7500	3.7500	3,971,437	D	
	Debt Service	105,904,993	1.2395	0.8400	889,602		
Chilhowee R-IV School District	Operating Funds-Schools	10,612,607	5.3663	5.3663	569,504	D	
Johnson County R-VII SD	Operating Funds-Schools	44,084,997	3.6512	3.6500	1,609,102	D	
	Debt Service	44,084,997	1.4745	1.0000	440,850		
Knob Noster R-VIII School District	Operating Funds-Schools	64,349,378	3.2575	3.2575	2,096,181	D	
Leeton R-X School District	Operating Funds-Schools	17,307,519	3.9443	3.9443	682,660	D	
	Debt Service	17,307,519	0.9097	0.8600	148,845		
Warrensburg R-VI School District	Operating Funds-Schools	300,945,561	4.5464	4.5464	13,682,189	D	
	Debt Service	300,945,561	0.9347	0.7200	2,166,808		
Johnson County	General Revenue	669,027,270	0.1275	0.1275	853,010		
	Road & Bridge	669,027,270	0.2381	0.2381	1,592,954		
	Developmental Dis. Board	669,027,270	0.1174	0.1174	785,438		
Knox							
Knox County Ambulance District	General Revenue	88,109,624	0.3393	0.3393	298,956		
	Dispatch	88,109,624	0.0291	0.0291	25,640		
Knox County NHD	General Revenue	87,005,754	0.2924	0.2924	254,405		
City of Baring	General Revenue	1,151,366	0.9065	0.9065	10,437		
City of Edina	General Revenue	10,695,608	0.7500	0.7500	80,217		
	Lights	10,695,608	0.1500	0.1500	16,043		
City of Hurdland	General Revenue	882,756	0.8881	0.8881	7,840		
	Fire	882,756	0.3283	0.3283	2,898		

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Knox							
City of Knox City	General Revenue	1,391,875	1.0000	1.0000	13,919		
	Streets	1,391,875	0.5162	0.5162	7,185		2021
Village of Newark	General Revenue	658,945	0.5725	0.5725	3,772		
Village of Novelty	General Revenue	807,993	1.0000	1.0000	8,080		
	Streets	807,993	0.2587	0.2587	2,090		2019
Knox County Library District	General Revenue	88,109,624	0.0970	0.0970	85,466		
Knox County Health Department	General Revenue	88,109,624	0.2500	0.2500	220,274	B	
Knox County R-I School District	Operating Funds-Schools	72,534,965	3.6233	3.6233	2,628,159	D	
	Debt Service	72,534,965	0.2768	0.2000	145,070		
Knox County	General Revenue	88,109,624	0.4221	0.3341	294,374		
	Road & Bridge	88,109,624	0.3062	0.3062	269,792		
	Special Road and Bridge	88,109,624	0.3500	0.3500	308,384	A	2022
Laclede							
Lebanon SRD 1 Laclede County	Road & Bridge	283,039,246	0.3327	0.3327	941,672		
	Special Road and Bridge	283,039,246	0.2040	0.2040	577,400		2021
Phillipsburg SRD 3 Laclede County	Road & Bridge	18,246,407	0.2651	0.2651	48,371		
	Special Road and Bridge	18,246,407	0.2332	0.2332	42,551		2021
Laclede County SRD	Road & Bridge	136,249,724	0.2439	0.0000	0		
Conway SRD 2 Laclede County	Road & Bridge	12,880,035	0.2397	0.2397	30,873		
	Special Road and Bridge	12,880,035	0.3503	0.3503	45,119		2019
City of Conway	General Revenue	4,911,720	0.0000	0.0000	0		
City of Lebanon	General Revenue	215,698,064	0.2608	0.2608	562,541		
	Parks & Recreation	215,698,064	0.2608	0.2608	562,541		
Village of Phillipsburg	General Revenue	1,369,486	0.4883	0.4883	6,687		
Village of Evergreen	Buildings Maint.	1,572,691	0.3105	0.3105	4,883		2021
	Fire Equipment Maint.	1,572,691	0.3105	0.3105	4,883		2021
	Fire Truck Maint.	1,572,691	0.3105	0.3105	4,883		2021
	Police Vehicle Maint.	1,572,691	0.3105	0.3105	4,883		2021
Lebanon-Laclede County PLD	General Revenue	452,086,781	0.1356	0.1356	613,030		
Lebanon Rural FPD	General Revenue	121,769,830	0.3636	0.3636	442,755	B	
Bennett Spring FPD	General Revenue	11,491,579	0.2960	0.2960	34,015		
Competition Volunteer FPD	General Revenue	11,639,983	0.3000	0.3000	34,920		
Nebo Falcon FPD	General Revenue	12,843,837	0.3000	0.3000	38,532		
Lebanon SBD	General Revenue	3,482,110	0.7576	0.7576	26,380		
Lebanon Marketplace CID	General Revenue	727,740	0.9999	0.9999	7,277		
Laclede County Health Department	General Revenue	452,086,781	0.1000	0.1000	452,087		
Laclede County R-I School District	Operating Funds-Schools	39,928,012	2.7500	2.7500	1,098,020	E	
	Debt Service	39,928,012	0.8091	0.4900	195,647		
Gasconade C-4 School District	Operating Funds-Schools	9,918,779	3.7119	3.7119	368,175	D	
Lebanon R-III School District	Operating Funds-Schools	330,131,326	3.4046	3.4046	11,239,651	BD	
	Debt Service	330,131,326	1.4023	0.7854	2,592,851		
Laclede County C-5 School District	Operating Funds-Schools	32,256,256	3.3000	3.3000	1,064,456	D	
Laclede County	General Revenue	452,086,781	0.3027	0.1561	705,707		
	Developmental Dis. Board	452,086,781	0.0676	0.0676	305,611		
	Dev. Dis. Board-LEEP	452,086,781	0.0658	0.0658	297,473		
Lafayette							
Little Sni A Bar WSD	General Revenue	7,733,604	0.4000	0.4000	30,934		
Tabo Creek Watershed Subdistrict	General Revenue	18,009,741	0.3030	0.3030	54,570		

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Lafayette							
Wellington Napoleon WSD	General Revenue	5,016,664	0.4000	0.4000	20,067		
Alma SRD Lafayette County	Special Road and Bridge	16,814,655	0.2769	0.2763	46,459		2020
Corder SRD Lafayette County	Special Road and Bridge	13,536,379	0.3500	0.3500	47,377		2020
Concordia SRD Lafayette County	Special Road and Bridge	54,923,843	0.3300	0.3300	181,249		2020
Dover SRD Lafayette County	Special Road and Bridge	12,017,334	0.3508	0.3508	42,157		2019
Higginsville SRD Lafayette County	Special Road and Bridge	65,697,088	0.3654	0.3654	240,057		2019
Mayview SRD Lafayette County	Special Road and Bridge	14,759,723	0.3562	0.3562	52,574		2021
Odessa SRD Lafayette County	Special Road and Bridge	117,635,731	0.3310	0.3310	389,374	A	2022
Waverly SRD Lafayette County	Special Road and Bridge	20,662,515	0.2967	0.2967	61,306	A	2022
Wellington Napoleon SRD Lafayette	Special Road and Bridge	32,121,430	0.3067	0.3000	96,364		2021
City of Alma	General Revenue	4,643,365	0.5026	0.5026	23,338		
	Streets	4,643,365	0.4000	0.4000	18,573		2020
	General Revenue - Temp	4,643,365	0.3018	0.3018	14,014		2021
Village of Aullville	General Revenue	781,231	0.4626	0.4587	3,584		
City of Bates City	General Revenue	5,471,551	0.3154	0.3154	17,257		
City of Concordia	General Revenue	30,329,847	0.5397	0.5397	163,690		
City of Corder	General Revenue	2,965,189	0.6081	0.6081	18,031		
	Parks & Recreation	2,965,189	0.1497	0.1497	4,439		
Village of Dover	General Revenue	940,372	0.2938	0.2938	2,763		
City of Higginsville	General Revenue	45,667,462	0.4505	0.4505	205,732		
	Parks & Recreation	45,667,462	0.3720	0.3720	169,883		
	Library	34,029,804	0.1855	0.1855	63,125		
City of Lexington	General Revenue	45,289,205	0.5632	0.5632	255,069		
	Parks & Recreation	45,289,205	0.2861	0.2861	129,572		
	Health	45,289,205	0.1526	0.1526	69,111		
City of Mayview	General Revenue	1,498,267	0.7546	0.7546	11,306		
City of Napoleon	General Revenue	2,611,793	0.8732	0.8732	22,806		
City of Odessa	General Revenue	57,453,854	0.5642	0.5642	324,155		
	Parks & Recreation	57,453,854	0.1489	0.1489	85,549		
City of Waverly	General Revenue	7,978,058	0.5641	0.5641	45,004		
	Streets	7,978,058	0.2277	0.2277	18,166		
City of Wellington	General Revenue	7,139,072	0.5005	0.5005	35,731		
City of Lake Lafayette	General Revenue	1,846,161	1.0000	1.0000	18,462		
	Streets	1,556,895	0.3000	0.3000	4,671		2020
Corder FPD	General Revenue	22,033,957	0.2912	0.2912	64,163		
Sni Valley FPD	General Revenue	220,655,721	0.7025	0.7025	1,550,106	B	
	Dispatch	220,655,721	0.0263	0.0263	58,032		
	Fire & Ambulance	220,655,721	0.1317	0.1317	290,604		
	Debt Service	220,655,721	0.2237	0.2237	493,607		
Concordia FPD	General Revenue	69,249,164	0.2924	0.2924	202,485		
	Ambulance	69,249,164	0.3024	0.3000	207,747	A	
Alma FPD	General Revenue	22,040,281	0.3752	0.3716	81,902		
Wellington-Napoleon FPD	General Revenue	34,657,840	0.2603	0.2603	90,214		
	Ambulance	34,657,840	0.3440	0.3440	119,223		
Odessa Fire & Rescue Protection	General Revenue	112,842,898	0.6122	0.6122	690,824	B	
	Ambulance	112,842,898	0.3105	0.3105	350,377	A	
Mayview FPD	General Revenue	13,301,666	0.3257	0.3257	43,324		
Higginsville FPD	General Revenue	69,955,668	0.2765	0.2765	193,427		

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
Lafayette							
Wellington-Napoleon R-IX RRD	Parks & Recreation	30,380,687	0.1935	0.1935	58,787		
Lafayette County Health Department	General Revenue	473,025,865	0.0721	0.0721	341,052		
Concordia R-II School District	Operating Funds-Schools	51,657,236	4.1109	4.1109	2,123,577	D	
	Debt Service	51,657,236	0.4253	0.4087	211,123		
Lafayette County C-1 SD	Operating Funds-Schools	78,041,548	3.6609	3.6609	2,857,023	D	
	Debt Service	78,041,548	1.1133	1.1131	868,680		
Odessa R-VII School District	Operating Funds-Schools	144,692,877	3.5309	3.5309	5,108,961	D	
	Debt Service	144,692,877	1.2591	1.1623	1,681,765		
Santa Fe R-X School District	Operating Funds-Schools	34,482,838	4.3786	4.3786	1,509,866	D	
	Debt Service	34,482,838	1.2316	0.6041	208,311		
Wellington-Napoleon R-IX SD	Operating Funds-Schools	30,381,518	3.4813	3.4813	1,057,672	D	
	Debt Service	30,381,518	1.2844	0.8859	269,150		
Lexington R-V School District	Operating Funds-Schools	60,712,280	4.0617	4.0617	2,465,951	D	
	Debt Service	60,712,280	1.7525	1.0500	637,479		
Lafayette County	General Revenue	473,025,865	0.2886	0.1950	922,400		
	Road & Bridge	473,025,865	0.2128	0.2128	1,006,599		
	Common Road District	466,633	0.3588	0.3588	1,674		2019
	Developmental Dis. Board	473,025,865	0.0633	0.0633	299,425		
	Common Road District 2-W	39,824,131	0.3300	0.3300	131,420		2020
	Common Road District I-E	19,582,178	0.3513	0.3513	68,792		2019
	Noxious Weed	473,025,865	0.0117	0.0117	55,344		
Lawrence							
Mt. Vernon Ambulance District	General Revenue	179,833,330	0.1410	0.1410	253,565		
Lawrence County NHD	General Revenue	503,737,937	0.1062	0.1062	534,970		
Aurora SRD Lawrence County	Special Road and Bridge	114,275,715	0.1700	0.1700	194,269		2020
Buck Prairie SRD Lawrence County	Special Road and Bridge	43,469,830	0.3143	0.3143	136,626		2021
Freistatt SRD Lawrence County	Special Road and Bridge	9,619,411	0.3602	0.3602	34,649	A	2022
Green Benefit SRD Lawrence County	Special Road and Bridge	9,697,120	0.2171	0.2171	21,052		2020
Midway Benefit SRD Lawrence County	Special Road and Bridge	2,942,650	0.2400	0.2400	7,062		2021
Miller Benefit SRD Lawrence County	Special Road and Bridge	25,563,630	0.1954	0.1954	49,951		2021
Mt. Pleasant Benefit SRD Lawrence	Special Road and Bridge	6,060,544	0.1778	0.1778	10,776		2021
Mt. Vernon Benefit SRD Lawrence	Special Road and Bridge	111,669,462	0.1613	0.1613	180,123		2021
Pierce Benefit SRD Lawrence County	Special Road and Bridge	32,132,731	0.1822	0.1822	58,546		2020
Red Oak Benefit SRD Lawrence County	Special Road and Bridge	5,326,910	0.2059	0.2059	10,968		2021
Verona Benefit SRD Lawrence County	Special Road and Bridge	36,414,556	0.1958	0.1958	71,300		2021
Vineyard Benefit SRD Lawrence	Special Road and Bridge	5,092,469	0.2200	0.2200	11,203		2020
Monett SRD Lawrence County	Special Road and Bridge	46,157,307	0.2762	0.2762	127,486	A	2022
City of Aurora	General Revenue	81,369,644	0.3671	0.3671	298,708		
Village of Freistatt	General Revenue	1,340,135	0.2736	0.2736	3,667		
City of Marionville	General Revenue	18,419,979	0.5900	0.5900	108,678		
City of Miller	General Revenue	5,281,821	0.9856	0.9856	52,058		
City of Pierce City	General Revenue	11,037,966	0.4458	0.4458	49,207		
	Parks & Recreation	11,037,966	0.1136	0.1136	12,539		
City of Stotts City	General Revenue	1,133,657	0.5047	0.5047	5,722		
City of Verona	General Revenue	9,915,595	0.9297	0.9297	92,185		
Aurora Rural FPD	General Revenue	80,969,706	0.2975	0.2975	240,885		
Pierce City FPD	General Revenue	46,002,455	0.2791	0.2791	128,393		
Miller Rural FPD	General Revenue	31,491,549	0.1660	0.1660	52,276		

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Lawrence							
Mt. Vernon FPD	General Revenue	103,010,413	0.3000	0.3000	309,031		
Freistatt FPD	General Revenue	13,129,823	0.3057	0.3057	40,138	A	
Stotts City FPD	General Revenue	7,089,317	0.3057	0.3057	21,672	A	
Miller R-II School District	Operating Funds-Schools	52,834,671	3.4230	3.3988	1,795,745	D	
	Operating Funds-Temp	52,834,671	0.0000	0.0000	0		2026
	Debt Service	52,834,671	0.8568	0.6600	348,709		
Pierce City R-VI School District	Operating Funds-Schools	44,013,511	2.7500	2.7500	1,210,372	E	
	Debt Service	44,013,511	0.7905	0.7900	347,707		
Marionville R-IX School District	Operating Funds-Schools	42,271,383	2.8945	2.7500	1,162,463	E	
	Debt Service	42,271,383	1.1573	0.9800	414,260		
Mt. Vernon R-V School District	Operating Funds-Schools	118,985,900	2.7500	2.7500	3,272,112	D	
	Debt Service	118,985,900	0.6899	0.5700	678,220		
Aurora R-VIII School District	Operating Funds-Schools	120,996,214	2.3486	2.3486	2,841,717	E	
	Operating Funds-Temp	120,996,214	0.4014	0.4014	485,679		2024
	Debt Service	120,996,214	1.4888	1.0500	1,270,460		
Verona R-VII School District	Operating Funds-Schools	31,015,619	3.0840	2.9427	912,697	D	
	Debt Service	31,015,619	1.7278	1.0073	312,420		
Lawrence County	General Revenue	503,737,937	0.2803	0.1249	629,169		
	Road & Bridge	503,737,937	0.1000	0.1000	503,738		
	Developmental Dis. Board	503,737,937	0.0867	0.0867	436,741		
	Senior Services	503,737,937	0.0477	0.0477	240,283		
	Common Road District 1	39,490,277	0.2178	0.2178	86,010		2021
	Common Road District 2	15,333,850	0.2055	0.2055	31,511		2021
Lewis							
Lewis County Ambulance District	General Revenue	147,050,923	0.2350	0.1318	193,813		
Lewis County NHD	General Revenue	148,249,383	0.1399	0.1399	207,401		
Buck & Doe Run Creeks WSD	General Revenue	4,903,330	0.4000	0.4000	19,613	B	
Durgens Creek Watershed Subdistrict	General Revenue	3,528,380	0.3515	0.3515	12,402		
Troublesome Creek WSD	General Revenue	12,161,235	0.3564	0.3564	43,343		
Grassy Creek Watershed Subdistrict	General Revenue	8,542,870	0.3907	0.3907	33,377		
Canton SRD Lewis County	Road & Bridge	39,080,914	0.2302	0.2302	89,964		
Dickerson SRD Lewis County	Road & Bridge	967,897	0.3318	0.3318	3,211		
La Grange SRD Lewis County	Road & Bridge	21,834,994	0.3333	0.3333	72,776		
City of Canton	General Revenue	26,654,826	0.6616	0.6616	176,348		
	Parks & Recreation	26,654,826	0.1842	0.1842	49,098		
	Library	26,654,826	0.2302	0.2302	61,359		
	Levee	26,654,826	0.1842	0.1842	49,098		
	Debt Service	26,654,826	0.5754	0.5754	153,372		
City of Ewing	General Revenue	3,790,778	0.6707	0.6707	25,425		
City of La Belle	General Revenue	5,332,980	0.7807	0.7807	41,635		
	Streets	5,332,980	0.1010	0.1010	5,386		2020
	Streets-Temp	5,332,980	0.3552	0.3552	18,943		2019
City of La Grange	General Revenue	13,067,661	0.4807	0.4807	62,816		
	Cemetery	13,067,661	0.1318	0.1318	17,223		
	Streets	13,067,661	0.2650	0.2650	34,629		
City of Lewistown	General Revenue	5,080,727	0.6639	0.6639	33,731		
Village of Monticello	General Revenue	1,072,346	0.6288	0.6288	6,743		
Lewis County Library District	General Revenue	123,806,951	0.0937	0.0937	116,007		

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Lewis							
Canton R-V FPD	General Revenue	59,698,023	0.3028	0.3028	180,766	B	
	Debt Service	59,698,023	0.0924	0.0924	55,161		
Ewing-Maywood R-4 FPD	General Revenue	30,926,477	0.4310	0.4310	133,293		
Western Lewis County FPD	General Revenue	32,287,270	0.4300	0.4300	138,835		
	Debt Service	32,287,270	0.0709	0.0709	22,892		
Lewis County Health Department	General Revenue	148,249,383	0.2460	0.2460	364,693		
Canton R-V School District	Operating Funds-Schools	44,734,323	3.2010	3.2010	1,431,946	D	
	Debt Service	44,734,323	0.9822	0.5500	246,039		
Lewis County C-1 School District	Operating Funds-Schools	86,516,050	3.5319	3.5319	3,055,660	D	
Lewis County	General Revenue	148,249,383	0.3889	0.2673	396,271		
	Road & Bridge	81,670,138	0.2712	0.2712	221,489		
	Common Road District	81,670,138	0.2100	0.2100	171,507		2021
Lincoln							
Lincoln County Ambulance District	General Revenue	889,654,037	0.2609	0.1128	1,003,530		
Clarence Cannon Memorial WSD	General Revenue	11,683,277	0.1820	0.1820	21,264		
City of Elsberry	General Revenue	16,557,665	0.5175	0.5175	85,686		
	Cemetery	16,557,665	0.1552	0.1552	25,697		
City of Foley	General Revenue	1,062,930	0.7641	0.7641	8,122		
City of Hawk Point	General Revenue	5,598,423	0.3470	0.3470	19,427		
City of Moscow Mills	General Revenue	37,928,662	0.2554	0.2554	96,870		
	General Revenue & Water	37,928,662	0.4999	0.4999	189,605		
City of Old Monroe	General Revenue	4,273,434	0.3823	0.3823	16,337		
City of Silex	General Revenue	2,112,207	0.2850	0.2850	6,020		
	Debt Service	2,112,207	1.6795	1.6795	35,475		
City of Troy	General Revenue	212,854,392	0.1753	0.1753	373,134		
City of Winfield	General Revenue	15,690,892	0.3353	0.3353	52,612		
Village of Truxton	General Revenue	369,143	0.4697	0.4635	1,711		
Village of Chain of Rocks	General Revenue	1,239,634	0.4162	0.4162	5,159		
Village of Fountain 'N Lakes	General Revenue	417,111	0.5000	0.5000	2,086		
Winfield-Foley FPD	General Revenue	117,774,571	0.2362	0.2362	278,184		
Lincoln County FPD	General Revenue	539,037,805	0.4958	0.4958	2,672,549		
Elsberry FPD	General Revenue	58,953,048	0.2815	0.2815	165,953		
Hawk Point FPD	General Revenue	51,094,190	0.2528	0.2528	129,166		
Old Monroe FPD	General Revenue	45,548,018	0.2666	0.2666	121,431		
Lincoln County Health Department	General Revenue	889,654,037	0.1820	0.1820	1,619,170		
Silex R-I School District	Operating Funds-Schools	38,284,580	3.2547	3.2547	1,246,048	D	
	Debt Service	38,284,580	1.0343	0.9629	368,642		
Elsberry R-II School District	Operating Funds-Schools	54,468,588	3.0048	3.0048	1,636,672	D	
	Debt Service	54,468,588	1.1976	1.1300	615,495		
Troy R-III School District	Operating Funds-Schools	580,487,060	3.1642	3.1579	18,331,201	D	
	Debt Service	580,487,060	1.8981	1.6021	9,299,983		
Winfield R-IV School District	Operating Funds-Schools	119,730,475	2.9923	2.9891	3,578,864	D	
	Debt Service	119,730,475	1.4262	1.3503	1,616,721		
Lincoln County	General Revenue	889,654,037	0.3167	0.2000	1,779,308		
	Road & Bridge	889,654,037	0.2421	0.2421	2,153,852		
	Hospital	889,654,037	0.1583	0.1583	1,408,322		
	Developmental Dis. Board	889,654,037	0.0910	0.0910	809,585		

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Linn							
Linn County Ambulance District	General Revenue	169,432,385	0.2810	0.1037	175,701		
East Yellow Creek WSD	General Revenue	11,670,823	0.3609	0.3609	42,120		
Marceline SRD Linn County	General Revenue	25,490,671	0.0993	0.0993	25,312		
	Road & Bridge	25,490,671	0.3684	0.3684	93,908		
Purdin SRD Linn County	General Revenue	1,970,316	0.0000	0.0000	0		
	Road & Bridge	1,970,316	0.5000	0.5000	9,852		
	Special Road and Bridge	1,970,316	0.3592	0.3592	7,077	A	2022
City of Brookfield	General Revenue	41,408,376	0.8734	0.8734	361,661		
	Parks & Recreation	41,408,376	0.1989	0.1989	82,361		
	Cemetery	41,408,376	0.0995	0.0995	41,201		
	Library	41,408,376	0.3718	0.3718	153,956		
City of Browning	General Revenue	799,805	1.0000	1.0000	7,998		
City of Bucklin	General Revenue	3,384,534	0.9642	0.9642	32,634		
	Streets	3,384,534	0.4821	0.4821	16,317		
	Special Road and Bridge	3,384,534	0.6000	0.6000	20,307	A	2022
City of Laclede	General Revenue	2,480,689	0.9283	0.9283	23,028		
	Cemetery	2,480,689	0.1000	0.1000	2,481		
City of Linneus	General Revenue	1,591,841	0.5728	0.5728	9,118		
	Streets	1,591,841	0.3818	0.3818	6,078		
City of Marceline	General Revenue	24,362,860	0.5019	0.5019	122,277		
	Library	24,362,860	0.2531	0.2531	61,662	B	
	Debt Service	24,362,860	0.3448	0.3448	84,003		
City of Meadville	General Revenue	3,718,324	0.3704	0.3704	13,773		
City of Purdin	General Revenue	580,406	1.0000	1.0000	5,804		
Baker Township Linn County	General Revenue	4,116,762	0.1000	0.1000	4,117		
	Road & Bridge	4,116,762	0.5000	0.5000	20,584		
	Special Road and Bridge	4,116,762	0.3552	0.3552	14,623	A	2022
North Benton Township Linn County	General Revenue	2,420,130	0.0983	0.0983	2,379		
	Road & Bridge	2,420,130	0.4917	0.4917	11,900		
	Special Road and Bridge	2,420,130	0.3500	0.3500	8,470	A	2022
Brookfield Township Linn County	General Revenue	57,216,756	0.0985	0.0985	56,359		
	Road & Bridge	57,216,756	0.3931	0.3931	224,919		
Bucklin Township Linn County	General Revenue	11,901,681	0.0909	0.0909	10,819		
	Road & Bridge	11,901,681	0.4364	0.4364	51,939		
	Special Road and Bridge	11,901,681	0.3500	0.3500	41,656	A	2022
Clay Township Linn County	General Revenue	6,113,350	0.0962	0.0962	5,881		
	Road & Bridge	6,113,350	0.4806	0.4806	29,381		
	Special Road and Bridge	6,113,350	0.3500	0.3500	21,397	A	2022
Enterprise Township Linn County	General Revenue	2,007,365	0.1000	0.1000	2,007		
	Road & Bridge	2,007,365	0.5000	0.5000	10,037		
	Special Road and Bridge	2,007,365	0.3542	0.3542	7,110	A	2022
Grantsville Township Linn County	General Revenue	4,372,195	0.1000	0.1000	4,372		
	Road & Bridge	4,372,195	0.5000	0.5000	21,861		
	Special Road and Bridge	4,372,195	0.3545	0.3500	15,303	A	2022
Jackson Township Linn County	General Revenue	3,897,867	0.0979	0.0979	3,816		
	Road & Bridge	3,897,867	0.4895	0.4895	19,080		
	Special Road and Bridge	3,897,867	0.3503	0.3500	13,643	A	2022
Jefferson Township Linn County	General Revenue	13,617,238	0.0916	0.0916	12,473		

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Linn							
Jefferson Township Linn County	Road & Bridge	13,617,238	0.3572	0.3572	48,641		
	Special Road and Bridge	13,617,238	0.3500	0.3500	47,660	A	2022
Locust Creek Township Linn County	General Revenue	7,199,547	0.0997	0.0997	7,178		
	Road & Bridge	7,199,547	0.4985	0.4985	35,890		
	Special Road and Bridge	7,199,547	0.3500	0.3500	25,198	A	2022
Marceline Township Linn County	General Revenue	6,539,014	0.0935	0.0935	6,114		
	Road & Bridge	6,539,014	0.4674	0.4674	30,563		
	Special Road and Bridge	6,539,014	0.3500	0.3500	22,887	A	2022
North Salem Township Linn County	General Revenue	2,914,942	0.1000	0.1000	2,915		
	Road & Bridge	2,914,942	0.5000	0.5000	14,575		
	Special Road and Bridge	2,914,942	0.3538	0.3500	10,202	A	2022
Parson Creek Township Linn County	General Revenue	10,670,873	0.0966	0.0966	10,308		
	Road & Bridge	10,670,873	0.4629	0.4629	49,395		
	Special Road and Bridge	10,670,873	0.3511	0.3511	37,465	A	2022
Yellow Creek Township Linn County	General Revenue	8,983,678	0.0762	0.0762	6,846		
	Road & Bridge	8,983,678	0.3481	0.3481	31,272		
	Special Road and Bridge	8,983,678	0.3500	0.3500	31,443	A	2022
Laclede Community FPD	General Revenue	13,617,238	0.2340	0.2340	31,864		
Linneus FPD	General Revenue	10,976,822	0.2982	0.2982	32,733		
Meadville FPD	General Revenue	15,474,278	0.2948	0.2948	45,618		
Linn County Health Department	General Revenue	169,432,385	0.2326	0.2326	394,100		
Linn County R-I School District	Operating Funds-Schools	19,525,539	4.0981	4.0981	800,176	D	
Bucklin R-II School District	Operating Funds-Schools	12,456,043	5.3326	5.3326	664,231	D	
Meadville R-IV School District	Operating Funds-Schools	19,601,006	3.7686	3.7686	738,684	D	
	Debt Service	19,601,006	1.3514	1.0500	205,811		
Marceline R-V School District	Operating Funds-Schools	45,074,355	3.8113	3.8113	1,717,919	D	
	Debt Service	45,074,355	1.2078	0.8000	360,595		
Brookfield R-III School District	Operating Funds-Schools	66,242,521	4.0193	4.0193	2,662,486	D	
	Operating Funds-Temp	66,242,521	0.4239	0.4239	280,802		2023
	Debt Service	66,242,521	0.7066	0.6600	437,201		
Linn County	General Revenue	169,432,385	0.2930	0.0725	122,838		
	Developmental Dis. Board	169,432,385	0.1938	0.1938	328,360		
	Senior Services	169,432,385	0.0488	0.0488	82,683		
Livingston							
Livingston Ambulance District	General Revenue	189,433,251	0.1204	0.1204	228,078		
Livingston County NHD	General Revenue	189,433,251	0.1500	0.1500	284,150		
City of Chillicothe	General Revenue	96,405,353	0.6917	0.6917	666,836		
	Parks & Recreation	96,405,353	0.1945	0.1945	187,508		
	Industrial Improvements	96,405,353	0.0000	0.0000	0		
City of Chula	General Revenue	1,776,393	1.0000	1.0000	17,764		
Village of Ludlow	General Revenue	631,984	0.9858	0.9858	6,230		
Village of Mooresville	General Revenue	577,678	0.5300	0.5300	3,062		
City of Wheeling	General Revenue	1,115,000	0.7500	0.7500	8,363		
Livingston County Memorial PLD	General Revenue	189,433,251	0.2700	0.2700	511,470		
	Debt Service	189,433,251	0.1593	0.1593	301,767		
Blue Mound Township Livingston Co	General Revenue	6,992,580	0.1000	0.1000	6,993		
	Road & Bridge	6,992,580	0.5000	0.5000	34,963		
	Special Road and Bridge	6,992,580	0.3599	0.3599	25,166	A	2022

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Livingston							
Chillicothe Township Livingston Co	General Revenue	116,050,939	0.1000	0.1000	116,051		
	Road & Bridge	116,050,939	0.2878	0.2878	333,995		
Cream Ridge Township Livingston Co	General Revenue	8,603,231	0.0917	0.0917	7,889		
	Road & Bridge	8,603,231	0.3900	0.3900	33,553		
	Special Road and Bridge	8,603,231	0.3500	0.3500	30,111		2021
Grand River Township Livingston Co	General Revenue	5,111,223	0.0990	0.0990	5,060		
	Road & Bridge	5,111,223	0.4951	0.4951	25,306		
	Special Road and Bridge	5,111,223	0.3485	0.3485	17,813		2020
Green Township Livingston County	General Revenue	4,870,381	0.0935	0.0935	4,554		
	Road & Bridge	4,870,381	0.4666	0.4666	22,725		
Jackson Township Livingston County	General Revenue	9,887,001	0.0946	0.0946	9,353		
	Road & Bridge	9,887,001	0.2852	0.2852	28,198		
	Special Road and Bridge	9,887,001	0.3538	0.3538	34,980	A	2022
Medicine Township Livingston County	General Revenue	2,762,273	0.0999	0.0999	2,760		
	Road & Bridge	2,762,273	0.4337	0.4337	11,980		
	Special Road and Bridge	2,762,273	0.3500	0.3500	9,668	A	2022
Monroe Township Livingston County	General Revenue	5,485,127	0.0898	0.0898	4,926		
	Road & Bridge	5,485,127	0.4193	0.4193	22,999		
	Special Road and Bridge	5,485,127	0.3373	0.3373	18,501		2020
Mooresville Township Livingston Co	General Revenue	3,937,896	0.1000	0.1000	3,938		
	Road & Bridge	3,937,896	0.5000	0.5000	19,689		
	Special Road and Bridge	3,937,896	0.3532	0.3532	13,909		2020
Rich Hill Township Livingston Co	General Revenue	10,130,680	0.0983	0.0983	9,958		
	Road & Bridge	10,130,680	0.4488	0.4488	45,466		
	Special Road and Bridge	10,130,680	0.3500	0.3500	35,457	A	2022
Sampsel Township Livingston County	General Revenue	4,876,824	0.1000	0.1000	4,877		
	Road & Bridge	4,876,824	0.4913	0.4913	23,960		
	Special Road and Bridge	4,876,824	0.3559	0.3559	17,357		2021
Wheeling Township Livingston County	General Revenue	4,579,657	0.0970	0.0970	4,442		
	Road & Bridge	4,579,657	0.4850	0.4850	22,211		
	Special Road and Bridge	4,579,657	0.3591	0.3591	16,446		2020
Fairview Township Livingston County	General Revenue	6,145,439	0.0994	0.0994	6,109		
	Road & Bridge	6,145,439	0.4635	0.4635	28,484		
	Special Road and Bridge	6,145,439	0.3483	0.3483	21,405		2020
Green Township FPD	General Revenue	4,870,381	0.5147	0.5147	25,068		
Mooresville Township FPD	General Revenue	3,937,896	0.3000	0.3000	11,814		
Livingston County Health Center	General Revenue	189,433,251	0.3414	0.3414	646,725		
Southwest Livingston County R-I SD	Operating Funds-Schools	12,393,260	4.4700	4.4700	553,979	D	
Livingston County R-III SD	Operating Funds-Schools	8,453,810	5.5000	5.0489	426,824		
Chillicothe R-II School District	Capital Improvements	148,221,776	0.1200	0.1200	177,866		2023
	Operating Funds-Schools	148,221,776	3.6300	3.6300	5,380,450	D	
	Debt Service	148,221,776	0.9683	0.9660	1,431,822		
Livingston County	General Revenue	189,433,251	0.3354	0.0406	76,910		
	Developmental Dis. Board	189,433,251	0.1000	0.1000	189,433		
	Senior Services	189,433,251	0.0510	0.0510	96,611		
McDonald							
City of Anderson	General Revenue	16,578,537	0.2482	0.2482	41,148		
	General Revenue-Temp	16,578,537	0.3658	0.3658	60,644		2021

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McDonald							
City of Goodman	General Revenue	8,008,745	0.6861	0.6861	54,948		
City of Lanagan	General Revenue	1,283,676	0.9320	0.9320	11,964		
City of Pineville	General Revenue	7,715,927	0.5012	0.5012	38,672		
City of Southwest City	General Revenue	15,666,806	0.6500	0.6500	101,834		
McDonald County Library District	General Revenue	276,952,971	0.1000	0.1000	276,953		
Goodman Area FPD	General Revenue	31,349,287	0.3000	0.3000	94,048		
White Rock FPD	General Revenue	76,116,425	0.3057	0.3000	228,349	A	
McDonald County R-I School District	Operating Funds-Schools	241,025,694	2.8500	2.7500	6,628,207	E	
	Debt Service	241,025,694	0.7562	0.6700	1,614,872		
McDonald County	Road & Bridge	276,952,971	0.0000	0.0000	0		
Macon							
Macon County Ambulance District	General Revenue	243,425,930	0.1409	0.1409	342,987		
Samaritan Memorial Hospital	General Revenue	243,425,930	0.1879	0.1879	457,397		
La Plata NHD	General Revenue	51,787,242	0.1391	0.1391	72,036		
Macon County NHD	General Revenue	196,037,943	0.3500	0.3500	686,133	B	
Hudson SRD Macon County	Road & Bridge	95,414,534	0.2820	0.2820	269,069		
	Special Road and Bridge	95,414,534	0.1999	0.1999	190,734		2020
La Plata SRD Macon County	Road & Bridge	16,014,311	0.3148	0.3148	50,413		
	Special Road and Bridge	16,014,311	0.3654	0.3654	58,516		2020
City of Atlanta	General Revenue	2,183,442	0.9936	0.9936	21,695		
City of Bevier	General Revenue	5,374,570	0.7834	0.7834	42,104		
	Lights	5,374,570	0.2186	0.2186	11,749		
City of Callao	General Revenue	1,386,416	0.9860	0.9860	13,670		
City of Elmer	General Revenue	618,710	0.9845	0.9845	6,091		
City of Ethel	General Revenue	531,009	0.7781	0.7781	4,132		
City of La Plata	General Revenue	10,050,850	0.8348	0.8348	83,904		
	Parks & Recreation	10,050,850	0.1912	0.1912	19,217		
	Library	10,050,850	0.1912	0.1912	19,217		
City of Macon	General Revenue	72,269,427	0.5937	0.5937	429,064		
	Library	72,269,427	0.2375	0.2375	171,640		
City of New Cambria	General Revenue	1,164,430	0.8882	0.8882	10,342		
Village of South Gifford	General Revenue	115,203	0.4974	0.4974	573		
La Plata Community FPD	General Revenue	39,805,213	0.3998	0.3998	159,141		
Bevier FPD	General Revenue	27,212,202	0.2880	0.2880	78,371		
Callao Town & Country Volunteer FPD	General Revenue	13,182,187	0.3583	0.3583	47,232		
Macon County Health Department	General Revenue	243,425,930	0.1409	0.1409	342,987		
Atlanta C-3 School District	Operating Funds-Schools	17,911,009	3.7853	3.7853	677,985	D	
Bevier C-4 School District	Operating Funds-Schools	15,172,358	3.7520	3.7520	569,267	D	
La Plata R-II School District	Operating Funds-Schools	27,531,012	3.1065	3.1065	855,251	D	
Macon County R-I School District	Operating Funds-Schools	119,679,661	3.0525	3.0525	3,653,222	D	
	Operating Funds-Temp	119,679,661	0.3963	0.3963	474,290		2032
Callao C-8 School District	Operating Funds-Schools	7,015,735	4.3057	4.3057	302,077	D	
Macon County R-IV School District	Operating Funds-Schools	13,244,567	4.5090	4.5000	596,006	D	
Macon County	General Revenue	243,425,930	0.4066	0.2386	580,814		
	Common Road District	131,997,080	0.2986	0.2986	394,143		
	Developmental Dis. Board	243,425,930	0.0940	0.0940	228,820		
	Special Road and Bridge	131,997,080	0.3500	0.3500	461,990	A	2022

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Madison							
Madison County Ambulance District	General Revenue	119,456,867	0.3000	0.3000	358,371		
Village of Cobalt City	General Revenue	974,275	0.2267	0.2267	2,209		
City of Fredericktown	General Revenue	35,883,545	0.7432	0.7432	266,687		
	Parks & Recreation	35,868,963	0.1289	0.1289	46,235		
Village of Junction City	General Revenue	1,967,600	0.2498	0.2498	4,915		
City of Marquand	General Revenue	947,855	1.0000	1.0000	9,479		
	Debt Service	947,855	1.9785	1.9785	18,753		
Madison County Health Department	General Revenue	119,456,867	0.2550	0.2550	304,615		
Marquand-Zion R-VI School District	Operating Funds-Schools	11,267,711	4.1201	4.1201	464,241	D	
	Debt Service	11,267,711	0.6157	0.5000	56,339		
Fredericktown R-I School District	Operating Funds-Schools	104,440,934	3.2000	3.2000	3,342,110	D	
	Operating Funds-Temp	104,440,934	0.7000	0.7000	731,087		2023
Madison County	General Revenue	119,456,867	0.3987	0.1137	135,822		
	Library	119,456,867	0.2043	0.2043	244,050		
	Road & Bridge	119,456,867	0.2899	0.2899	346,305		
	Developmental Dis. Board	119,456,867	0.1967	0.1967	234,972		
Maries							
Maries-Osage Ambulance District	General Revenue	97,368,075	0.1951	0.1951	189,965		
Ozark Central Ambulance District	General Revenue	89,684,433	0.2721	0.2721	244,031		
Belle SRD 6 Maries-Osage County	Road & Bridge	12,998,576	0.2386	0.2386	31,015		
Maries County SRD 8	Road & Bridge	8,848,206	0.2313	0.2313	20,466		
City of Vienna	General Revenue	8,532,704	0.6208	0.6208	52,971		
City of Belle	General Revenue	13,053,001	0.6387	0.6387	83,370		
	Parks & Recreation	13,053,001	0.1563	0.1563	20,402		
Maries County Library District	General Revenue	143,468,938	0.1607	0.1607	230,555		
Vienna Volunteer FPD	General Revenue	30,023,096	0.3000	0.3000	90,069		
Belle FPD	General Revenue	45,547,206	0.3000	0.3000	136,642		
Maries County R-I School District	Operating Funds-Schools	59,022,610	3.3106	3.3106	1,954,003	D	
	Debt Service	59,022,610	0.5574	0.4400	259,699		
Maries County R-II School District	Operating Funds-Schools	72,308,958	3.2703	3.2703	2,364,720	D	
Maries County	General Revenue	143,468,938	0.4718	0.3714	532,844		
	Common Road District 1	65,162,574	0.2748	0.2748	179,067		
	Common Road District 2	58,236,211	0.2422	0.2422	141,048		
Marion							
Marion County Ambulance District	General Revenue	475,092,670	0.0000	0.0000	0		
	Pension	475,092,670	0.0496	0.0496	235,646		
Marion County NHD	General Revenue	457,027,226	0.1455	0.1455	664,975		
City of Hannibal	General Revenue	234,970,332	0.7788	0.7788	1,829,949		
	Library	234,970,332	0.2968	0.2968	697,392		
	Police & Fire	234,970,332	0.1368	0.1368	321,439		
City of Palmyra	General Revenue	41,287,605	0.6621	0.6621	273,365		
Marion County Library Subdistrict 1	General Revenue	167,202,522	0.1534	0.1534	256,489		
Palmyra FPD	General Revenue	164,266,892	0.3000	0.3000	492,801		
Marion County Health Department	General Revenue	457,027,226	0.1129	0.1098	501,816		
Marion County R-II School District	Operating Funds-Schools	17,375,482	3.5997	3.5997	625,465	D	
	Debt Service	17,375,482	0.6537	0.6537	113,584		
Palmyra R-I School District	Operating Funds-Schools	151,905,970	3.2793	3.2793	4,981,452	D	
	Debt Service	151,905,970	0.8378	0.7487	1,137,320		

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Marion							
Hannibal 60 School District	Operating Funds-Schools	335,902,039	3.1114	3.1114	10,451,256	D	
	Debt Service	335,902,039	1.6031	1.0700	3,594,152		
Marion County	General Revenue	457,027,226	0.4431	0.1350	616,987		
	Road & Bridge	457,027,226	0.3323	0.3323	1,518,701		
	Developmental Dis. Board	457,027,226	0.1370	0.1370	626,127		
Mercer							
Mercer County Ambulance District	General Revenue	81,432,755	0.2971	0.2971	241,937		
City of Mercer	General Revenue	2,261,892	0.8458	0.8458	19,131		
	Streets	2,261,892	0.4714	0.4714	10,663		
	Debt Service	2,261,892	1.2194	1.2194	27,582		
City of Princeton	General Revenue	11,469,869	0.8455	0.8455	96,978		
	Band	11,469,869	0.0920	0.0920	10,552		
Village of South Lineville	General Revenue	577,073	0.4057	0.4057	2,341		
Mercer County Library District	General Revenue	81,432,755	0.1802	0.1802	146,742		
Harrison Township Mercer County	General Revenue	4,035,231	0.0905	0.0905	3,652		
	Road & Bridge	4,035,231	0.4523	0.4523	18,251		
	Special Road and Bridge	4,035,231	0.3596	0.3596	14,511	A	2022
Lindley Township Mercer County	General Revenue	3,032,328	0.0904	0.0904	2,741		
	Road & Bridge	3,032,328	0.4519	0.4519	13,703		
	Special Road and Bridge	3,032,328	0.3528	0.3528	10,698	A	2022
Madison Township Mercer County	General Revenue	4,112,669	0.0900	0.0900	3,701		
	Road & Bridge	4,112,669	0.4497	0.4497	18,495		
	Special Road and Bridge	4,112,669	0.3528	0.3528	14,509	A	2022
Marion Township Mercer County	General Revenue	13,355,107	0.0877	0.0877	11,712		
	Road & Bridge	13,355,107	0.3781	0.3781	50,496		
	Special Road and Bridge	13,355,107	0.3686	0.3686	49,227	A	2022
Medicine Township Mercer County	General Revenue	3,788,767	0.0923	0.0923	3,497		
	Road & Bridge	3,788,767	0.4615	0.4615	17,485		
	Special Road and Bridge	3,788,767	0.3536	0.3536	13,397	A	2022
Morgan Township Mercer County	General Revenue	27,906,138	0.0902	0.0902	25,171		
	Road & Bridge	27,906,138	0.3163	0.3163	88,267		
Ravanna Township Mercer County	General Revenue	9,273,291	0.0976	0.0976	9,051		
	Road & Bridge	9,273,291	0.4879	0.4879	45,244		
	Special Road and Bridge	9,273,291	0.3537	0.3537	32,800	A	2022
Somerset Township Mercer County	General Revenue	6,332,529	0.0914	0.0914	5,788		
	Road & Bridge	6,332,529	0.4571	0.4571	28,946		
	Special Road and Bridge	6,332,529	0.3543	0.3543	22,436	A	2022
Washington Township Mercer County	General Revenue	9,596,698	0.0835	0.0835	8,013		
	Road & Bridge	9,596,698	0.4173	0.4173	40,047		
	Special Road and Bridge	9,596,698	0.3553	0.3553	34,097	A	2022
Mercer County FPD	General Revenue	49,418,729	0.2684	0.2684	132,640		
Mercer FPD	General Revenue	21,843,575	0.2707	0.2707	59,131		
Mercer County Health Department	General Revenue	81,432,755	0.2702	0.2702	220,031		
Mercer County Extension District	General Revenue	70,137,863	0.0509	0.0509	35,700		
North Mercer County R-III SD	Operating Funds-Schools	17,893,147	4.8826	4.8826	873,651	D	
Princeton R-V School District	Operating Funds-Schools	47,541,975	4.1442	4.1442	1,970,235	D	
	Debt Service	47,541,975	1.7126	0.9532	453,170		
Mercer County	General Revenue	81,432,755	0.3602	0.2606	212,214		

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Mercer						
Mercer County	Road & Bridge	81,432,755	0.1350	0.1350	109,934	
	Senior Services	81,432,755	0.0450	0.0450	36,645	
Miller						
Miller County Ambulance District	General Revenue	286,119,006	0.0000	0.0000	0	
Miller County NHD	General Revenue	432,265,511	0.1179	0.1179	509,641	
	Debt Service	432,265,511	0.0451	0.0451	194,952	
Bagnell SRD Miller County	Road & Bridge	125,572,714	0.1862	0.1862	233,816	
Kaiser SRD Miller County	Road & Bridge	83,399,044	0.1977	0.1977	164,880	
City of Bagnell	General Revenue	689,532	0.4959	0.4959	3,419	
Village of Brumley	General Revenue	763,594	0.4977	0.4977	3,800	
City of Iberia	General Revenue	5,935,832	0.5631	0.5631	33,425	
Village of Olean	General Revenue	625,995	0.3356	0.3356	2,101	
Village of St. Elizabeth	General Revenue	5,130,193	0.2254	0.2254	11,563	
Village of Tuscumbia	General Revenue	1,553,959	0.3784	0.3784	5,880	
City of Lake Ozark	General Revenue	105,216,712	0.2424	0.2424	255,045	
Miller County Library District	General Revenue	432,265,511	0.1299	0.1299	561,513	
Lake Ozark FPD	General Revenue	457,559,438	0.5920	0.5920	2,708,752	
	Ambulance	457,559,438	0.6017	0.6017	2,753,135	
	Debt Service	457,559,438	0.0647	0.0647	296,041	
Brumley FPD	General Revenue	23,206,088	0.3000	0.3000	69,618	
Tuscumbia FPD	General Revenue	11,840,785	0.2888	0.2888	34,196	
Moreau FPD	General Revenue	124,201,783	0.5454	0.5454	677,397	
St. Elizabeth FPD	General Revenue	15,302,792	0.2888	0.2888	44,194	
Iberia Rural FPD	General Revenue	35,041,122	0.3000	0.3000	105,123	
Miller County Health Center	General Revenue	432,265,511	0.1238	0.1238	535,145	
Eldon R-I School District	Operating Funds-Schools	189,996,617	3.2151	3.2151	6,108,581	D
	Debt Service	189,996,617	0.6601	0.5100	968,983	
Miller County R-III School District	Operating Funds-Schools	12,782,596	4.0996	4.0996	524,035	D
	Debt Service	12,782,596	1.2556	0.1000	12,783	
St. Elizabeth R-IV School District	Operating Funds-Schools	17,978,851	4.1430	4.1430	744,864	D
School of the Osage R-II SD	Operating Funds-Schools	565,292,390	2.6000	2.6000	14,697,602	
	Debt Service	565,292,390	1.2383	0.6990	3,951,394	
Iberia R-V School District	Operating Funds-Schools	38,684,459	3.7500	3.7500	1,450,667	D
	Debt Service	38,684,459	0.5391	0.3300	127,659	
Miller County	General Revenue	432,265,511	0.2685	0.0233	100,718	
	Road & Bridge	221,233,780	0.2642	0.2642	584,500	
	Developmental Dis. Board	432,265,511	0.0860	0.0860	371,748	
	Senior Services	432,265,511	0.0497	0.0497	214,836	
Mississippi						
Mississippi Ambulance District	General Revenue	171,940,027	0.2975	0.2975	511,522	
City of Anniston	General Revenue	1,353,618	0.6365	0.6365	8,616	
City of Bertrand	General Revenue	5,530,734	0.5310	0.5310	29,368	
City of Charleston	General Revenue	32,781,188	0.6464	0.6464	211,898	
	Parks & Recreation	32,781,188	0.1639	0.1639	53,728	
City of East Prairie	General Revenue	20,239,521	0.7922	0.7922	160,337	
Village of Wilson City	General Revenue	402,343	0.4485	0.4485	1,805	
City of Wyatt	General Revenue	1,473,316	0.8942	0.8942	13,174	
Mississippi County Library District	General Revenue	171,940,027	0.2114	0.2114	363,481	

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Mississippi							
Mississippi/Scott County FPD	General Revenue	82,689,521	0.1650	0.1650	136,438		
Mississippi County Health	General Revenue	171,940,027	0.0992	0.0992	170,565		
East Prairie R-II School District	Operating Funds-Schools	71,391,581	3.0264	2.7500	1,963,268	E	
	Debt Service	71,391,581	1.6560	0.9000	642,524		
Charleston R-I School District	Operating Funds-Schools	89,373,748	2.9613	2.9613	2,646,625	D	
Mississippi County	General Revenue	171,940,027	0.4864	0.3493	600,587		
	Johnson Grass	171,940,027	0.0496	0.0496	85,282		
	Road & Bridge	171,940,027	0.3471	0.3471	596,804		
	Developmental Dis. Board	171,940,027	0.1269	0.1269	218,192		
Moniteau							
Mid Mo Ambulance District	General Revenue	563,823,674	0.0000	0.0000	0		
City of California	General Revenue	52,281,964	0.4212	0.4212	220,212		
	Parks & Recreation	52,281,964	0.1663	0.1663	86,945		
City of Clarksburg	General Revenue	1,778,394	1.0000	1.0000	17,784		
City of Jamestown	General Revenue	3,588,421	0.8525	0.8525	30,591		
City of Lupus	General Revenue	403,173	0.6652	0.6652	2,682		
City of Tipton	General Revenue	25,806,550	0.7493	0.7493	193,368		
	Library	25,806,550	0.2400	0.2400	61,936		
Moniteau County Library District	General Revenue	182,131,561	0.1200	0.1200	218,558		
California Rural FPD	General Revenue	56,833,789	0.1941	0.1941	110,314		
Fortuna FPD	General Revenue	44,661,357	0.2831	0.2831	126,436		
Tipton Rural FPD	General Revenue	16,409,737	0.2416	0.2416	39,646		
Jamestown Rural FPD	General Revenue	22,951,474	0.4313	0.4313	98,990		
Moniteau County Health Center	General Revenue	210,852,119	0.1522	0.1500	316,278		
Moniteau County R-I School District	Operating Funds-Schools	93,721,037	2.8626	2.8626	2,682,858	D	
	Debt Service	93,721,037	1.1377	1.1355	1,064,202		
High Point R-III School District	Operating Funds-Schools	11,255,475	4.1396	4.1396	465,932	D	
	Operating Funds-Temp	11,255,475	0.2973	0.2973	33,463		2021
Moniteau County R-V School District	Operating Funds-Schools	11,518,645	3.5318	3.5318	406,816	D	
Tipton R-VI School District	Operating Funds-Schools	50,660,820	2.9061	2.9061	1,472,254	D	
	Debt Service	50,660,820	1.4954	1.0934	553,925		
Jamestown C-I School District	Operating Funds-Schools	17,870,119	4.2492	4.2492	759,337	D	
	Operating Funds-Temp	17,870,119	0.4018	0.4018	71,802		2030
Clarksburg C-2 School District	Operating Funds-Schools	7,967,414	4.0323	3.8885	309,813	D	
	Debt Service	7,967,414	0.7819	0.7200	57,365		
Moniteau County	General Revenue	210,852,119	0.3405	0.1814	382,486		
	Common Road District	210,852,119	0.2505	0.2505	528,185		
	Developmental Dis. Board	210,852,119	0.1200	0.1200	253,023		
Monroe							
Monroe County Ambulance District	General Revenue	94,436,532	0.4020	0.4020	379,635		
Monroe City Ambulance District	General Revenue	113,335,617	0.2524	0.1500	170,003		
Monroe County NHD	General Revenue	114,012,964	0.1408	0.1408	160,530		
Madison SRD Monroe County	Special Road and Bridge	11,093,377	0.3500	0.3500	38,827	A	2021
Monroe City SRD Monroe County	Special Road and Bridge	30,622,087	0.3567	0.3567	109,229	A	2022
Village of Holliday	General Revenue	1,201,891	0.3391	0.3391	4,076		
City of Madison	General Revenue	4,032,899	0.6778	0.6778	27,335		
City of Paris	General Revenue	10,047,700	0.3406	0.3406	34,222		
	Cemetery	10,047,700	0.2663	0.2663	26,757		

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Monroe							
City of Paris	Streets	10,047,700	0.1179	0.1179	11,846		
Village of Stoutsville	General Revenue	651,114	0.1847	0.1847	1,203		
City of Monroe City	General Revenue	30,005,247	0.7537	0.7537	226,150		
	Library	27,995,120	0.1987	0.1987	55,626		
Monroe County Library District	General Revenue	122,407,599	0.1570	0.1570	192,180		
Paris Rural FPD	General Revenue	44,338,374	0.2421	0.2421	107,343		
Madison-West Monroe FPD	General Revenue	32,360,971	0.2834	0.2834	91,711		
Monroe County Health Department	General Revenue	140,777,839	0.0942	0.0942	132,613		
Middle Grove C-1 School District	Operating Funds-Schools	5,012,731	5.2422	5.2422	262,777	D	
Monroe City R-I School District	Operating Funds-Schools	88,610,018	3.7646	3.7100	3,287,432	D	
	Debt Service	88,610,018	1.5486	0.9900	877,239		
Holliday C-2 School District	Operating Funds-Schools	8,967,690	4.0099	4.0000	358,708	D	
Madison C-3 School District	Operating Funds-Schools	15,051,898	3.7018	3.7018	557,191	D	
Paris R-II School District	Operating Funds-Schools	49,759,095	3.4137	3.4137	1,698,626	D	
	Debt Service	49,759,095	0.5029	0.4900	243,820		
Monroe County	General Revenue	140,777,839	0.3852	0.2783	391,785		
	Road & Bridge	140,777,839	0.2810	0.2810	395,586		
	Developmental Dis. Board	140,777,839	0.0942	0.0942	132,613		
Montgomery							
Montgomery Ambulance District	General Revenue	203,939,984	0.5031	0.5031	1,026,022		
Rhineland Bottom SRD Montgomery Co	Special Road and Bridge	9,409,009	0.2500	0.2500	23,523		2021
Wellsville SRD Montgomery County	Special Road and Bridge	26,025,622	0.2956	0.2956	76,932		2021
City of Bellflower	General Revenue	2,358,032	0.8849	0.8849	20,866		
City of High Hill	General Revenue	3,635,342	0.3508	0.3508	12,753		
City of Jonesburg	General Revenue	37,432,022	0.4800	0.4800	179,674		
City of McKittrick	General Revenue	522,350	0.7269	0.7269	3,797		
City of Middletown	General Revenue	1,504,779	0.8049	0.7987	12,019		
City of Montgomery	General Revenue	41,604,214	0.5556	0.5556	231,153		
	Library	41,604,214	0.4000	0.4000	166,417		
City of New Florence	General Revenue	7,647,661	0.8526	0.8526	65,204		
Village of Rhineland	General Revenue	2,575,987	0.8798	0.8798	22,664		
City of Wellsville	General Revenue	8,596,562	0.8174	0.8174	70,268		
	Library	8,596,562	0.2240	0.2240	19,256		
Bellflower FPD	General Revenue	21,889,889	0.2314	0.2314	50,653		
Big Spring FPD	General Revenue	15,943,046	0.3000	0.3000	47,829		
Jonesburg-High Hill FPD	General Revenue	59,257,972	0.2453	0.2453	145,360		
New Florence FPD	General Revenue	24,182,764	0.3000	0.3000	72,548		
Montgomery Volunteer FPD	General Revenue	75,451,015	0.2664	0.2664	201,002		
Wellsville FPD	General Revenue	27,906,314	0.2465	0.2465	68,789		
Middletown Community FPD	General Revenue	21,645,790	0.2989	0.2989	64,699		
Montgomery County Health Department	General Revenue	232,708,726	0.1453	0.1453	338,126		
Wellsville-Middletown R-I SD	Operating Funds-Schools	30,679,401	4.0128	4.0128	1,231,103	D	
	Debt Service	30,679,401	0.5388	0.4800	147,261		
Montgomery County R-II SD	Operating Funds-Schools	137,916,212	3.3293	3.3293	4,591,644	D	
	Debt Service	137,916,212	0.9216	0.6500	896,455		
Montgomery County	General Revenue	232,708,726	0.3824	0.2651	616,911		
	Johnson Grass	232,708,726	0.0000	0.0000	0		
	Road & Bridge	232,708,726	0.2732	0.2732	635,760		

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Montgomery							
Montgomery County	Special Road and Bridge	197,280,382	0.3075	0.3075	606,637		2021
	Developmental Dis. Board	232,708,726	0.0965	0.0965	224,564		
Morgan							
Golden Age NHD 1	General Revenue	106,528,373	0.1919	0.1919	204,428		
Good Shepherd NHD	General Revenue	778,227,145	0.1453	0.1453	1,130,764		
Barnett SRD 3 Morgan County	Road & Bridge	12,273,374	0.3107	0.3107	38,133		
Gravois SRD 8 Morgan County	Road & Bridge	194,964,976	0.1338	0.1338	260,863		
	Special Road and Bridge	194,964,976	0.1000	0.1000	194,965		2021
City of Barnett	General Revenue	1,149,858	0.7893	0.6562	7,545		
	Water	1,149,858	0.4135	0.3438	3,953		
City of Stover	General Revenue	7,923,728	0.6906	0.6906	54,721		
City of Syracuse	General Revenue	2,396,328	0.8597	0.8597	20,601		
City of Versailles	General Revenue	28,825,744	0.9487	0.9487	273,470		
Morgan County Library District	General Revenue	521,116,930	0.0763	0.0763	397,612		
Rocky Mount FPD	General Revenue	119,913,755	0.3872	0.3872	464,306		
Versailles Rural FPD	General Revenue	48,282,664	0.4767	0.4767	230,163		
Gravois FPD	General Revenue	243,455,393	0.6986	0.6986	1,700,779		
	Debt Service	243,455,393	0.2012	0.2012	489,832		
Stover Rural FPD	General Revenue	41,276,295	0.2636	0.2636	108,804		
Morgan County Health Center	General Revenue	521,116,930	0.0780	0.0780	406,471		
Morgan County R-I School District	Operating Funds-Schools	89,485,972	3.4235	3.4235	3,063,552	D	
Morgan County R-II School District	Operating Funds-Schools	282,588,133	2.9913	2.9913	8,453,059	D	
Morgan County	General Revenue	521,116,930	0.2119	0.1100	573,229		
	Johnson Grass	521,116,930	0.0000	0.0000	0		
	Road & Bridge	312,597,916	0.1677	0.1313	410,441	C	
	Developmental Dis. Board	521,116,930	0.0423	0.0423	220,432		
	Senior Services	521,116,930	0.0423	0.0423	220,432		
New Madrid							
New Madrid Ambulance District	General Revenue	426,396,068	0.0000	0.0000	0		
City of Canalou	General Revenue	1,156,766	0.7586	0.7522	8,701		
Village of Catron	General Revenue	1,214,258	0.4968	0.4968	6,032		
	General Revenue 1	1,214,258	0.2483	0.2483	3,015		
City of Gideon	General Revenue	5,913,389	0.6469	0.6469	38,254		
	Parks & Recreation	5,913,389	0.1645	0.1645	9,728		
City of Howardville	General Revenue	1,267,445	1.0000	1.0000	12,674		
City of Lilbourn	General Revenue	7,971,503	0.6570	0.6493	51,759		
	Parks & Recreation	7,971,503	0.1823	0.1802	14,365		
	Library	6,506,928	0.2000	0.1802	11,725		
	Health	7,971,503	0.1823	0.1802	14,365		
	Debt Service	7,971,503	1.6685	0.3213	25,612		
City of Marston	General Revenue	5,102,265	0.6599	0.6599	33,670		
City of Matthews	General Revenue	10,558,850	0.2565	0.2500	26,397		
City of Morehouse	General Revenue	5,216,249	0.7586	0.7586	39,570		
City of New Madrid	General Revenue	29,118,470	0.6168	0.6168	179,603		
	General Revenue 1	29,118,470	0.0000	0.0000	0		
Village of North Lilbourn	General Revenue	108,722	0.4998	0.4998	543		
City of Parma	General Revenue	4,504,258	0.7166	0.7166	32,278		
City of Portageville	General Revenue	34,729,379	0.6565	0.6565	227,998		

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New Madrid							
City of Portageville	Parks & Recreation	34,729,379	0.1487	0.1487	51,643		
	Health	34,729,379	0.1735	0.1735	60,255		
City of Risco	General Revenue	2,306,306	0.7913	0.7913	18,250		
Village of Tallapoosa	General Revenue	413,111	1.0000	1.0000	4,131		
New Madrid County Library District	General Revenue	396,408,331	0.1448	0.1448	573,999		
Lilbourn Highway D CID	General Revenue	139,500	0.0000	0.0000	0		2039
New Madrid County Health Department	General Revenue	426,396,068	0.1000	0.1000	426,396		
Risco R-II School District	Operating Funds-Schools	10,786,431	5.0500	5.0500	544,715	D	
Portageville School District	Operating Funds-Schools	52,268,056	2.8700	2.8700	1,500,093	D	
	Debt Service	52,268,056	0.6300	0.6300	329,289		
Gideon 37 School District	Operating Funds-Schools	14,886,243	3.6157	3.6157	538,242	D	
New Madrid County R-I SD	Operating Funds-Schools	267,141,957	3.5525	3.5500	9,483,539	D	
	Debt Service	267,141,957	0.3262	0.2900	774,712		
New Madrid County	General Revenue	426,396,068	0.4034	0.2218	945,746		
	Johnson Grass	426,396,068	0.0100	0.0100	42,640		
	Road & Bridge	426,396,068	0.3152	0.1576	672,000		
	Developmental Dis. Board	426,396,068	0.0200	0.0200	85,279		
Newton							
Newton County Ambulance District	General Revenue	802,410,436	0.1878	0.1878	1,506,927		
Lost Creek Watershed Subdistrict	General Revenue	36,985,925	0.2248	0.2248	83,144		
Diamond SRD Newton County	Road & Bridge	42,039,277	0.3140	0.3140	132,003		
	Special Road and Bridge	42,039,277	0.1708	0.1708	71,803		2023
Fairview SRD Newton County	Road & Bridge	11,649,432	0.2201	0.2201	25,640		
	Special Road and Bridge	11,649,432	0.1587	0.1587	18,488		2023
Midway SRD Newton County	Road & Bridge	13,124,496	0.2218	0.2218	29,110		
	Special Road and Bridge	13,124,496	0.1750	0.1750	22,968		2023
Neosho SRD Newton County	Road & Bridge	216,663,163	0.1915	0.1915	414,910		
	Special Road and Bridge	216,663,163	0.1531	0.1531	331,711		2023
Seneca SRD Newton County	Road & Bridge	74,498,578	0.1993	0.1993	148,476		
	Special Road and Bridge	74,498,578	0.1559	0.1559	116,143		2023
Stella SRD Newton County	Road & Bridge	8,630,988	0.2690	0.2690	23,217		
	Special Road and Bridge	8,630,988	0.1372	0.1372	11,842		2023
City of Diamond	General Revenue	6,349,039	0.2969	0.2969	18,850		
	Debt Service	6,349,039	0.0000	0.0000	0		
City of Fairview	General Revenue	2,388,196	0.3863	0.3863	9,226		
	Streets	2,388,196	0.3379	0.3379	8,070		
City of Granby	General Revenue	11,354,807	0.3380	0.3380	38,379		
	Cemetery	11,354,807	0.0785	0.0785	8,914		2019
Village of Leawood	General Revenue	8,819,429	0.2154	0.2154	18,997		
City of Neosho	General Revenue	121,370,888	0.3529	0.3529	428,318		
	Parks & Recreation	121,370,888	0.0000	0.0000	0		
Village of Newtonia	General Revenue	1,368,220	0.2157	0.2157	2,951		
Village of Ritchey	General Revenue	547,891	0.4460	0.4460	2,444		
Village of Saginaw	General Revenue	4,880,541	0.2453	0.2453	11,972		
City of Seneca	General Revenue	20,510,141	0.4480	0.4480	91,885		
	Parks & Recreation	20,510,141	0.0491	0.0491	10,070		
Village of Shoal Creek Drive	General Revenue	3,018,404	0.2038	0.2038	6,152		
Village of Stella	General Revenue	1,249,901	0.7595	0.7595	9,493		

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Newton							
Village of Wentworth	General Revenue	1,172,774	0.2649	0.2649	3,107		
Village of Shoal Creek Estates	General Revenue	1,231,609	0.4700	0.4700	5,789		
Town of Loma Linda	General Revenue	15,332,740	0.4664	0.4664	71,512		
	Sewer	15,332,740	0.0000	0.0000	0		
	General Revenue-Temp	15,332,740	0.2944	0.2944	45,140		2019
	Health & Sewer	15,332,740	0.1866	0.1866	28,611		
Neosho-Newton County PLD	General Revenue	809,171,484	0.0977	0.0977	790,561		
Neosho Area FPD	General Revenue	125,596,755	0.3842	0.3842	482,543		
Redings Mill FPD	General Revenue	190,156,750	1.0560	1.0560	2,008,055		
Diamond Area FPD	General Revenue	58,476,372	0.2475	0.2475	144,729		
Seneca Area FPD	General Revenue	48,422,932	0.2775	0.2775	134,374		
East Newton Area FPD	General Revenue	29,567,476	0.2578	0.2578	76,225		
Midway FPD	General Revenue	17,386,735	0.2811	0.2811	48,874		
Neosho Developers CID	General Revenue	42,800	1.0000	1.0000	428		2057
Newton County Health Department	General Revenue	913,559,086	0.0491	0.0491	448,558		
Crowder College	General Revenue	928,889,380	0.4239	0.4239	3,937,562		
East Newton County R-VI SD	Operating Funds-Schools	79,216,493	2.7500	2.7500	2,178,454	D	
	Debt Service	79,216,493	0.5192	0.4691	371,605		
Diamond R-IV School District	Operating Funds-Schools	76,947,824	3.1195	3.1195	2,400,387	D	
	Debt Service	76,947,824	0.8343	0.5900	453,992		
Westview C-6 School District	Operating Funds-Schools	9,708,865	3.4525	3.4300	333,014	BD	
Seneca R-VII School District	Operating Funds-Schools	100,124,683	2.7500	2.7500	2,753,429	E	
	Debt Service	100,124,683	1.0095	0.8500	851,060		
Neosho R-V School District	Operating Funds-Schools	326,456,252	2.8950	2.7500	8,977,547	E	
	Debt Service	326,456,252	0.8157	0.6000	1,958,738		
Newton County	Common Road District	157,288,177	0.2476	0.2476	389,446		
	Developmental Dis. Board	913,559,086	0.0492	0.0492	449,471		
	Mental Health	913,559,086	0.0819	0.0819	748,205		
	County Fair	913,559,086	0.0098	0.0098	89,529		
Nodaway							
Hoover Frankum WSD	General Revenue	1,186,682	0.3800	0.3800	4,509		
Mozingo Creek Watershed Subdistrict	General Revenue	12,003,061	0.0000	0.0000	0		
102 River Tributaries Subdistrict	General Revenue	8,521,103	0.1000	0.1000	8,521		
City of Arkoe	General Revenue	350,278	1.0000	1.0000	3,503		
City of Barnard	General Revenue	1,023,219	0.9731	0.9731	9,957		
	Streets	1,023,219	1.3150	1.3150	13,455	A	2020
City of Burlington Junction	General Revenue	3,412,713	1.0000	1.0000	34,127		
	Streets	3,412,713	1.0176	1.0176	34,728	A	2022
	Debt Service	3,412,713	0.4235	0.4235	14,453		
City of Clearmont	General Revenue	1,161,579	0.7355	0.7355	8,543		
Village of Clyde	General Revenue	633,450	0.4966	0.4966	3,146		
City of Conception Junction	General Revenue	1,426,636	0.9821	0.9821	14,011		
City of Elmo	General Revenue	756,414	1.0000	1.0000	7,564		
	Streets	756,414	0.6759	0.6759	5,113		
City of Graham	General Revenue	921,321	1.0000	1.0000	9,213		
	Streets	921,321	0.0000	0.0000	0		
	Streets-Temp	921,321	1.1815	1.1815	10,885		2019
Village of Guilford	General Revenue	704,614	0.9161	0.9161	6,455		

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Nodaway							
Village of Guilford	Streets	704,614	0.5202	0.5202	3,665		2020
City of Hopkins	General Revenue	3,323,183	0.3734	0.3734	12,409		
	Lights	3,323,183	0.2103	0.2103	6,989		
	Streets	3,323,183	0.2500	0.2500	8,308		
	General Revenue-Temp	3,323,183	0.2021	0.2021	6,716		2019
	Street Improvements	3,323,183	0.7553	0.7553	25,100		2021
City of Maryville	General Revenue	136,025,084	0.3650	0.3650	496,492		
	Parks & Recreation	136,025,084	0.4085	0.4085	555,662		
	Library	136,025,084	0.2852	0.2852	387,944		
	Debt Service	136,025,084	0.0782	0.0782	106,372		
City of Parnell	General Revenue	584,260	1.0000	1.0000	5,843		
	Parks & Recreation	584,260	0.3140	0.3140	1,835		2020
	General Revenue-Temp	584,260	0.4186	0.4186	2,446		2020
City of Pickering	General Revenue	787,202	0.8700	0.8700	6,849		
	Streets	787,202	1.0338	1.0338	8,138	A	2021
City of Ravenwood	General Revenue	2,904,053	0.7876	0.7876	22,872		
	Streets	2,904,053	1.4000	1.4000	40,657		2020
City of Skidmore	General Revenue	1,846,605	0.9859	0.9859	18,206		
	Streets	1,846,605	0.9859	0.9859	18,206		
Atchison Township Nodaway County	General Revenue	6,930,398	0.0476	0.0476	3,299		
	Road & Bridge	6,930,398	0.4752	0.4752	32,933		
	Special Road and Bridge	6,930,398	0.3597	0.3597	24,929		2020
	Debt Service	6,930,398	1.0894	1.0894	75,500		
Grant Township Nodaway County	General Revenue	11,293,091	0.0433	0.0433	4,890		
	Road & Bridge	11,293,091	0.4320	0.4320	48,786		
	Special Road and Bridge	11,293,091	0.3373	0.3373	38,092		2020
Green Township Nodaway County	General Revenue	6,446,229	0.0489	0.0489	3,152		
	Road & Bridge	6,446,229	0.4892	0.4892	31,535		
	Special Road and Bridge	6,446,229	0.3666	0.3666	23,632		2020
	Debt Service	6,446,229	1.0766	1.0766	69,400		
Hopkins Township Nodaway County	General Revenue	7,750,361	0.0500	0.0500	3,875		
	Road & Bridge	7,750,361	0.5000	0.5000	38,752		
	Special Road and Bridge	7,750,361	0.3628	0.3628	28,118		2020
Hughes Township Nodaway County	General Revenue	14,363,460	0.0477	0.0477	6,851		
	Road & Bridge	14,363,460	0.4768	0.4768	68,485		
	Special Road and Bridge	14,363,460	0.3338	0.3338	47,945		2020
	Debt Service	14,363,460	0.3572	0.3572	51,306		
Independence Township Nodaway Co	General Revenue	5,008,481	0.0500	0.0500	2,504		
	Road & Bridge	5,008,481	0.5000	0.5000	25,042		
	Special Road and Bridge	5,008,481	0.4041	0.4041	20,239		2021
	Debt Service	5,008,481	0.5431	0.5431	27,201		
Jackson Township Nodaway County	General Revenue	14,457,787	0.0499	0.0499	7,214		
	Road & Bridge	14,457,787	0.4992	0.4992	72,173		
	Special Road and Bridge	14,457,787	0.3510	0.3510	50,747	A	2022
	Debt Service	14,457,787	0.3389	0.3389	48,997		
Jefferson Township Nodaway County	General Revenue	11,418,699	0.0499	0.0499	5,698		
	Road & Bridge	11,418,699	0.4982	0.4982	56,888		
	Special Road and Bridge	11,418,699	0.3568	0.3568	40,742		2020

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Nodaway							
Lincoln Township Nodaway County	General Revenue	7,216,499	0.0486	0.0486	3,507		
	Road & Bridge	7,216,499	0.4858	0.4858	35,058		
	Special Road and Bridge	7,216,499	0.3500	0.3500	25,258	A	2022
Monroe Township Nodaway County	General Revenue	5,953,105	0.0486	0.0486	2,893		
	Road & Bridge	5,953,105	0.4744	0.4744	28,242		
	Special Road and Bridge	5,953,105	0.3562	0.3562	21,205		2020
	Debt Service	5,953,105	0.6753	0.6753	40,201		
Nodaway Township Nodaway County	General Revenue	10,893,427	0.0500	0.0500	5,447		
	Road & Bridge	10,893,427	0.5000	0.5000	54,467		
	Special Road and Bridge	10,893,427	0.3534	0.3534	38,497	A	2022
	Debt Service	10,893,427	0.7068	0.7068	76,995		
Polk Township Nodaway County	General Revenue	199,019,272	0.0500	0.0500	99,510		
	Road & Bridge	199,019,272	0.3087	0.3087	614,372		
	Special Road and Bridge	199,019,272	0.1530	0.1530	304,499		2020
Union Township Nodaway County	General Revenue	6,765,284	0.0497	0.0497	3,362		
	Road & Bridge	6,765,284	0.4974	0.4974	33,651		
	Special Road and Bridge	6,765,284	0.3607	0.3607	24,402	A	2022
	Debt Service	6,765,284	0.4186	0.4186	28,319		
Washington Township Nodaway County	General Revenue	10,499,871	0.0481	0.0481	5,050		
	Road & Bridge	10,499,871	0.4814	0.4814	50,546		
	Special Road and Bridge	10,499,871	0.3584	0.3584	37,632		2020
White Cloud Township Nodaway County	General Revenue	16,247,497	0.0475	0.0475	7,718		
	Road & Bridge	16,247,497	0.4745	0.4745	77,094		
	Special Road and Bridge	16,247,497	0.3500	0.3500	56,866	A	2022
	Debt Service	16,247,497	0.3570	0.3570	58,004		
Barnard FPD	General Revenue	24,532,702	0.1916	0.1916	47,005		
Graham FPD	General Revenue	15,217,196	0.1921	0.1921	29,232		
Hopkins FPD	General Revenue	10,911,691	0.2235	0.2235	24,388		
Polk Rural FPD	General Revenue	65,119,232	0.1547	0.1547	100,739		
Clearmont FPD	General Revenue	6,476,734	0.2805	0.2805	18,167		
Skidmore FPD	General Revenue	12,935,062	0.2486	0.2486	32,157		
West Nodaway FPD	General Revenue	16,641,337	0.2739	0.2739	45,581		
Jackson Township FPD	General Revenue	14,457,890	0.0000	0.0000	0		
	Fire	14,457,890	0.2996	0.2996	43,316		
Union Township FPD	General Revenue	5,087,272	0.3000	0.3000	15,262		
Elmo Area FPD	General Revenue	5,145,291	0.2810	0.2810	14,458		
Parnell FPD	General Revenue	6,335,515	0.2985	0.2985	18,912		
Nodaway County Health Center	General Revenue	332,700,082	0.0500	0.0500	166,350		
Nodaway-Holt R-VII School District	Operating Funds-Schools	28,329,109	3.4029	3.4029	964,011	D	
	Operating Funds-Temp	28,329,109	0.9000	0.9000	254,962		2037
West Nodaway County R-I SD	Operating Funds-Schools	24,567,931	3.5388	3.5388	869,410	D	
	Debt Service	24,567,931	1.1632	0.6542	160,723		
Northeast Nodaway County R-V SD	Operating Funds-Schools	16,754,801	4.8822	4.8822	818,003	D	
	Debt Service	16,754,801	0.9208	0.7707	129,129		
Jefferson C-123 School District	Operating Funds-Schools	14,479,575	5.9841	5.6430	817,082		
	Debt Service	14,479,575	1.0558	0.7500	108,597		
North Nodaway County R-VI SD	Operating Funds-Schools	16,209,262	4.1357	4.0605	658,177	D	
	Debt Service	16,209,262	0.7256	0.5900	95,635		

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Nodaway							
Maryville R-II School District	Operating Funds-Schools	191,147,126	4.6011	4.2757	8,172,878		
	Debt Service	191,147,126	1.0003	0.7900	1,510,062		
South Nodaway County R-IV SD	Operating Funds-Schools	15,773,993	5.3202	5.3202	839,208	D	
	Debt Service	15,773,993	0.8104	0.5900	93,067		
Nodaway County	General Revenue	334,263,462	0.3477	0.1600	534,822		
	Ambulance	334,263,462	0.0000	0.0000	0		
	Developmental Dis. Board	334,263,462	0.0500	0.0500	167,132		
	Senior Services	334,263,462	0.0500	0.0500	167,132		
Oregon							
Oregon County Ambulance District	General Revenue	106,605,252	0.0000	0.0000	0		
Thayer SRD Oregon County	Road & Bridge	40,742,687	0.2073	0.2073	84,460		
City of Alton	General Revenue	5,474,708	0.5457	0.5457	29,875		
City of Koshkonong	General Revenue	847,388	0.9169	0.9169	7,770		
City of Thayer	General Revenue	17,347,525	0.4618	0.4618	80,111		
Oregon County Library District	General Revenue	106,605,252	0.1861	0.1861	198,392		
Oregon County Health Department	General Revenue	106,605,252	0.0930	0.0930	99,143		
Couch R-I School District	Operating Funds-Schools	12,902,305	3.5586	3.5581	459,077	D	
Thayer R-II School District	Operating Funds-Schools	33,424,869	2.7500	2.7500	919,184	D	
	Debt Service	33,424,869	1.1837	0.9202	307,576		
Oregon-Howell R-III School District	Operating Funds-Schools	15,115,489	2.5692	2.5692	388,347	D	
	Operating Funds-Temp	15,115,489	0.6632	0.6632	100,246		2022
	Debt Service	15,115,489	1.0776	0.8000	120,924		
Alton R-IV School District	Operating Funds-Schools	41,590,350	2.7500	2.7500	1,143,735	D	
Oregon County	General Revenue	106,605,252	0.3391	0.1062	113,215		
	Common Road District	65,899,712	0.2637	0.2637	173,778		
	Developmental Dis. Board	106,605,252	0.0930	0.0930	99,143		
	Senior Services	106,605,252	0.0465	0.0465	49,571		
Osage							
Osage Ambulance District	General Revenue	149,443,920	0.3000	0.1856	277,368		
Chamois SRD Osage County	Road & Bridge	6,002,573	0.3174	0.3174	19,052		
Linn City SRD Osage County	Road & Bridge	17,469,576	0.2860	0.2860	49,963		
Westphalia SRD Osage County	Road & Bridge	4,964,892	0.2462	0.2462	12,224		
	Special Road and Bridge	4,964,892	0.1749	0.1749	8,684		2019
Village of Argyle	General Revenue	1,203,411	0.3129	0.2943	3,542		
City of Chamois	General Revenue	3,573,555	0.5339	0.5339	19,079		
City of Linn	General Revenue	16,398,803	0.6647	0.6647	109,003		
	Parks & Recreation	16,398,803	0.0500	0.0500	8,199		
City of Meta	General Revenue	4,834,566	0.4538	0.4538	21,939		
Osage County Library District	General Revenue	222,258,251	0.1787	0.1787	397,175		
Chamois Volunteer FPD	General Revenue	16,969,969	0.2554	0.2554	43,341		
Meta Fire & Rescue FPD	General Revenue	14,817,628	0.3000	0.3000	44,453		
Linn FPD	General Revenue	98,372,729	0.2701	0.2701	265,705		
Osage County R-I School District	Operating Funds-Schools	16,047,733	4.8708	4.8708	781,653	D	
Osage County R-II School District	Operating Funds-Schools	66,863,797	2.7530	2.7500	1,838,754	D	
	Debt Service	66,863,797	1.1220	1.0500	702,070		
Osage County R-III School District	Operating Funds-Schools	96,093,996	3.5754	3.5754	3,435,745	D	
Osage County	General Revenue	222,258,251	0.3260	0.0534	118,686		
	Common Road District	191,741,377	0.2192	0.2192	420,297		

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Osage							
Osage County	Developmental Dis. Board	222,258,251	0.0997	0.0997	221,591		
Ozark							
Ozark County Ambulance District	Ambulance	121,138,708	0.2818	0.1850	224,107		
Village of Bakersfield	General Revenue	1,482,251	0.3381	0.3381	5,011		
	Health	1,482,251	0.1667	0.1667	2,471		
City of Gainesville	General Revenue	9,525,594	0.4340	0.4290	40,865		
Village of Theodosia	General Revenue	4,769,472	0.3057	0.3057	14,580		
Ozark County Health Center	General Revenue	121,138,708	0.0909	0.0909	110,115		
Thornfield R-I School District	Operating Funds-Schools	7,319,400	3.2208	3.2208	235,743	D	
Bakersfield R-IV School District	Operating Funds-Schools	15,432,994	3.6241	3.6241	559,307	D	
	Debt Service	15,432,994	1.0680	1.0500	162,046		
Gainesville R-V School District	Operating Funds-Schools	54,414,483	2.7500	2.7500	1,496,398	D	
Dora R-III School District	Operating Funds-Schools	19,348,085	3.4409	3.4300	663,639	D	
	Debt Service	19,348,085	0.1930	0.1930	37,342		
Lutie R-VI School District	Operating Funds-Schools	26,947,696	3.5181	3.5181	948,047	D	
Ozark County	General Revenue	121,138,708	0.3088	0.1500	181,708		
	Road & Bridge	121,138,708	0.2337	0.2337	283,101		
Pemiscot							
City of Bragg City	General Revenue	312,833	0.5000	0.5000	1,564		
City of Caruthersville	General Revenue	43,698,413	0.6085	0.6085	265,905		
	Cemetery	43,698,413	0.0434	0.0434	18,965		
	Sewer	43,698,413	0.2064	0.2064	90,194		
	Library	43,698,413	0.0978	0.0978	42,737		
	Health	43,698,413	0.1739	0.1739	75,992		
Town of Cooter	General Revenue	3,044,659	1.0000	1.0000	30,447		
City of Hayti	General Revenue	21,041,985	0.6396	0.6396	134,585		
	Parks & Recreation	21,041,985	0.2886	0.2886	60,727		
	Cemetery	21,041,985	0.0500	0.0500	10,521		
	Library	21,041,985	0.2132	0.2132	44,862		
	Health	21,041,985	0.1757	0.1757	36,971		
City of Hayti Heights	General Revenue	893,120	1.0000	1.0000	8,931		
	Health	893,120	0.2000	0.2000	1,786		
Village of Holland	General Revenue	1,011,598	0.6564	0.6564	6,640		
City of Homestown	General Revenue	161,649	0.6000	0.6000	970		
City of Steele	General Revenue	12,406,599	0.6098	0.6098	75,655		
	Parks & Recreation	12,406,599	0.1760	0.1760	21,836		
	Library	12,406,599	0.1760	0.1760	21,836		
	Health	12,406,599	0.1760	0.1760	21,836		
Village of Wardell	General Revenue	1,781,269	0.7244	0.7244	12,904		
	Health	1,781,269	0.1000	0.1000	1,781		
Pemiscot County Health Center	General Revenue	197,352,762	0.1000	0.1000	197,353		
North Pemiscot County R-I SD	Operating Funds-Schools	19,371,856	3.0734	3.0000	581,156	D	
Hayti R-II School District	Operating Funds-Schools	28,817,944	3.9087	3.9087	1,126,407	D	
Pemiscot County R-III SD	Operating Funds-Schools	12,383,740	3.9705	3.9705	491,696	D	
	Debt Service	12,383,740	0.4697	0.3500	43,343		
Cooter R-IV School District	Operating Funds-Schools	8,529,593	4.4108	4.4108	376,223	D	
South Pemiscot County R-V SD	Operating Funds-Schools	30,735,543	3.5843	3.5843	1,101,654	D	
Pemiscot County C-7 School District	Operating Funds-Schools	12,584,243	4.1650	4.1650	524,134	D	

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Pemiscot							
Caruthersville 18 School District	Operating Funds-Schools	50,621,682	3.9189	3.9189	1,983,813	D	
	Debt Service	50,621,682	0.4314	0.4108	207,954		
Pemiscot Co Special School District	Operating Funds-Schools	196,397,369	0.4954	0.4954	972,953		
	Debt Service	196,397,369	0.0623	0.0452	88,772		
Pemiscot County	General Revenue	197,352,762	0.3949	0.1798	354,840		
	Johnson Grass	197,352,762	0.0500	0.0500	98,676		
	Road & Bridge	197,352,762	0.3030	0.3030	597,979		
	Hospital	197,352,762	0.4266	0.4266	841,907		
	Developmental Dis. Board	197,352,762	0.1000	0.1000	197,353		
Perry							
City of Altenburg	General Revenue	4,781,862	0.6118	0.6118	29,255		
City of Frohna	General Revenue	5,179,423	0.6712	0.6712	34,764		
Village of Longtown	General Revenue	909,769	0.3189	0.3189	2,901		
City of Perryville	General Revenue	140,456,833	0.4000	0.4000	561,827		
	Parks & Recreation	140,456,833	0.1700	0.1700	238,777		
Perry County Library District	General Revenue	362,344,158	0.0920	0.0920	333,357		
Perry County Health Department	General Revenue	362,344,158	0.1840	0.1840	666,713		
Perry County 32 School District	Operating Funds-Schools	322,800,916	3.1848	3.1848	10,280,564	D	
	Operating Funds-Temp	322,800,916	0.3500	0.3500	1,129,803		2036
Altenburg 48 School District	Operating Funds-Schools	19,224,201	3.5798	3.5798	688,188	D	
Perry County	General Revenue	362,344,158	0.4229	0.2244	813,100		
	Road & Bridge	362,344,158	0.3064	0.3064	1,110,223		
	Hospital	362,344,158	0.0920	0.0920	333,357		
	Developmental Dis. Board	362,344,158	0.0920	0.0920	333,357		
	Mental Health	362,344,158	0.0920	0.0920	333,357		
Pettis							
City of Green Ridge	General Revenue	3,894,284	0.8911	0.8911	34,702		
City of Houstonia	General Revenue	1,196,729	0.9329	0.9329	11,164		
Village of Hughesville	General Revenue	1,259,728	0.3968	0.3968	4,999		
	General Revenue-Temp	1,259,728	0.2710	0.2710	3,414		2019
City of La Monte	General Revenue	7,348,635	0.8613	0.8613	63,294		
	Parks & Recreation	7,348,635	0.0360	0.0360	2,646		
City of Sedalia	General Revenue	255,235,960	0.4761	0.4761	1,215,178		
	Parks & Recreation	255,235,960	0.1656	0.1656	422,671		
	Library	201,267,615	0.2326	0.2326	468,148		
	Police	255,235,960	0.0932	0.0932	237,880		
	Fire	255,235,960	0.0495	0.0495	126,342		
	Library-Temp	201,267,615	0.0691	0.0691	139,076		2037
City of Smithton	General Revenue	4,626,947	0.9027	0.9027	41,767		
	Debt Service	4,626,947	0.0000	0.0000	0		
Boonslick Regional Library District	General Revenue	939,263,014	0.1378	0.1378	1,294,304		
Pettis County FPD 1	General Revenue	246,142,913	0.2727	0.2727	671,232		
Sedalia SBD	General Revenue	4,784,070	0.8500	0.8500	40,665		
Pettis County Health Center	General Revenue	607,422,320	0.0897	0.0897	544,858		
State Fair Community College	General Revenue	891,966,872	0.4042	0.4042	3,605,330		
Pettis County R-V School District	Operating Funds-Schools	30,527,970	3.5427	3.5427	1,081,514	D	
	Debt Service	30,527,970	0.6677	0.4955	151,266		
La Monte R-IV School District	Operating Funds-Schools	21,836,667	2.8845	2.8845	629,879	D	

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Pettis							
La Monte R-IV School District	Debt Service	21,836,667	1.2703	0.9246	201,902		
Smithton R-VI School District	Operating Funds-Schools	46,079,142	3.6325	3.6325	1,673,825	D	
Green Ridge R-VIII School District	Operating Funds-Schools	30,120,192	3.3182	3.3182	999,448	D	
	Debt Service	30,120,192	0.6074	0.6071	182,860		
Pettis County R-XII School District	Operating Funds-Schools	51,501,154	2.7989	2.7900	1,436,882	D	
Sedalia 200 School District	Operating Funds-Schools	361,651,682	3.1132	3.1132	11,258,940	D	
	Operating Funds-Temp	361,651,682	0.8623	0.8623	3,118,522		2026
Pettis County	General Revenue	607,422,320	0.3028	0.0788	478,649		
	Johnson Grass	607,422,320	0.0481	0.0070	42,520		
	Road & Bridge	607,422,320	0.2840	0.2840	1,725,079		
	Developmental Dis. Board	607,422,320	0.0897	0.0897	544,858		
Phelps							
St. James Ambulance District	General Revenue	129,938,128	0.1387	0.0038	4,938		
City of Doolittle	General Revenue	5,027,551	0.2742	0.2742	13,786		
City of Newburg	General Revenue	1,853,433	0.8006	0.8006	14,839		
	Library	1,853,433	0.2000	0.2000	3,707		
City of Rolla	General Revenue	222,646,469	0.4598	0.4598	1,023,728		
	Parks & Recreation	222,646,469	0.1132	0.1132	252,036		
	Library	222,646,469	0.1919	0.1919	427,259		
City of St. James	General Revenue	37,618,456	0.4018	0.4018	151,151		
	Parks & Recreation	37,618,456	0.0627	0.0627	23,587		
	Library	37,618,456	0.3053	0.3053	114,849		
City of Edgar Springs	General Revenue	1,698,432	0.5073	0.5073	8,616		
Doolittle Rural FPD	General Revenue	32,871,687	0.2187	0.2187	71,890		
Rolla Rural FPD	General Revenue	168,478,549	0.4819	0.4819	811,898		
Duke Rural FPD	General Revenue	6,128,357	0.2414	0.2414	14,794		
St. James FPD	General Revenue	121,062,607	0.2518	0.2518	304,836		
Edgar Springs Rural Volunteer FPD	General Revenue	17,065,887	0.3045	0.3045	51,966		
St. James R-I School District	Operating Funds-Schools	123,214,513	2.7500	2.7500	3,388,399	D	
	Debt Service	123,214,513	0.9507	0.9000	1,108,931		
Newburg R-II School District	Operating Funds-Schools	28,583,771	3.7100	3.7100	1,060,458	D	
	Debt Service	28,583,771	0.4834	0.4834	138,174		
Rolla 31 School District	Operating Funds-Schools	430,689,970	3.7614	3.3303	14,343,268		
	Debt Service	430,689,970	0.4456	0.3000	1,292,070		
Phelps County R-III School District	Operating Funds-Schools	20,043,691	2.7500	2.7500	551,202	D	
	Debt Service	20,043,691	0.2266	0.1800	36,079		
Phelps County	General Revenue	615,326,298	0.2797	0.1091	671,321		
	Road & Bridge	615,326,298	0.1998	0.1080	664,552		
	Developmental Dis. Board	615,326,298	0.0720	0.0720	443,035		
Pike							
Village of Annada	General Revenue	359,144	0.6340	0.6340	2,277		
City of Bowling Green	General Revenue	44,436,510	0.6382	0.6382	283,594		
	Parks & Recreation	44,436,510	0.0000	0.0000	0		
	Cemetery	44,436,510	0.0984	0.0984	43,726		
	Library	44,436,510	0.1970	0.1970	87,540		
City of Clarksville	General Revenue	4,652,732	0.7217	0.7217	33,579		
City of Curryville	General Revenue	1,609,887	0.9582	0.9582	15,426		
Village of Eolia	General Revenue	4,792,515	0.4011	0.4011	19,223		

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Pike							
City of Frankford	General Revenue	1,999,543	1.0000	1.0000	19,995		
	Streets	1,999,543	0.1316	0.1316	2,631	A	
City of Louisiana	General Revenue	36,094,791	0.7656	0.7330	264,575		
	Library	36,094,791	0.1000	0.1000	36,095		
Buffalo Township FPD	General Revenue	48,091,562	0.3028	0.3028	145,621		
Curryville Volunteer FPD	General Revenue	12,726,661	0.3052	0.3052	38,842		
Pike County Health Department	General Revenue	291,343,855	0.2500	0.2500	728,360		
Bowling Green R-I School District	Operating Funds-Schools	116,882,007	3.3622	3.3622	3,929,807	D	
	Debt Service	116,882,007	0.7014	0.5000	584,410		
Pike County R-III School District	Operating Funds-Schools	43,072,395	4.3154	4.3154	1,858,746	D	
	Debt Service	43,072,395	0.8576	0.6863	295,606		
Boncl R-X School District	Operating Funds-Schools	12,381,342	4.7716	4.4500	550,970		
Louisiana R-II School District	Operating Funds-Schools	50,892,029	3.7500	3.7500	1,908,451	D	
	Debt Service	50,892,029	1.0057	0.5000	254,460		
Pike County	General Revenue	291,343,855	0.4468	0.2970	865,291		
	Road & Bridge	291,343,855	0.3240	0.3240	943,954		
	Hospital	291,343,855	0.2200	0.2200	640,956		
	Developmental Dis. Board	291,343,855	0.2000	0.2000	582,688		
Platte							
Northland Regional AD	General Revenue	632,936,030	0.4221	0.4221	2,671,623		
Southern Platte Ambulance District	General Revenue	665,189,402	0.1148	0.1148	763,637		
Drainage District 1 Platte County	General Revenue	1,448,708	0.0763	0.0763	1,105		
Farley SRD Platte County	Road & Bridge	19,825,350	0.3084	0.3084	61,141		
	Special Road and Bridge	19,825,350	0.3526	0.3526	69,904		2020
Parkville SRD Platte County	Road & Bridge	931,675,927	0.2575	0.2575	2,399,066		
Platte City SRD Platte County	Road & Bridge	1,303,610,775	0.2625	0.2625	3,421,978		
Weston SRD Platte County	Road & Bridge	79,336,178	0.2428	0.2428	192,628		
	Special Road and Bridge	79,336,178	0.3395	0.3395	269,346		2019
City of Camden Point	General Revenue	6,154,054	0.6793	0.6793	41,804		
City of Dearborn	General Revenue	6,563,953	0.4776	0.4776	31,349		
City of Edgerton	General Revenue	6,382,826	0.6925	0.6925	44,201		
Village of Farley	General Revenue	3,349,950	0.4737	0.4737	15,869		
Village of Ferrelview	General Revenue	3,721,273	0.5414	0.5414	20,147		
Village of Iatan	General Revenue	308,788	0.4716	0.4716	1,456		
City of Platte City	General Revenue	84,032,802	0.5144	0.5144	432,265		
	Debt Service	84,032,802	1.0206	0.5614	471,760		
City of Platte Woods	General Revenue	11,868,185	0.7240	0.7240	85,926		
City of Tracy	General Revenue	5,154,667	0.6392	0.6392	32,949		
City of Weatherby Lake	General Revenue	64,988,913	0.7731	0.7731	502,429		
	Parks & Recreation	64,988,913	0.1650	0.1650	107,232		
City of Weston	General Revenue	28,196,374	0.4083	0.4083	115,126		
	Parks & Recreation	28,196,374	0.1487	0.1487	41,928		
	Lights	28,196,374	0.1155	0.1155	32,567		
City of Lake Waukomis	General Revenue	25,001,120	0.4990	0.4990	124,756		
	General Revenue - Temp	25,001,120	0.5378	0.5378	134,456		2021
City of Parkville	General Revenue	254,326,100	0.4623	0.4623	1,175,750		
	General Revenue-Temp	254,326,100	0.1748	0.1748	444,562		2024
City of Northmoor	General Revenue	8,663,371	0.4925	0.4925	42,667		

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Platte							
Town of Ridgely	General Revenue	1,301,673	0.3218	0.3218	4,189		
City of Houston Lake	General Revenue	2,986,997	0.7099	0.7099	21,205		
	Fire	2,986,997	0.7800	0.7800	23,299		2020
Central Platte FPD	General Revenue	263,289,754	0.3046	0.3046	801,981		
Southern Platte FPD	General Revenue	548,278,459	0.8867	0.8867	4,861,585		
	Debt Service	548,278,459	0.0756	0.0756	414,499		
Weatherby Lake FPD	General Revenue	64,988,913	0.9594	0.9594	623,504		
West Platte FPD	General Revenue	211,234,479	0.3900	0.3900	823,814		
	Ambulance	211,234,479	0.3900	0.3900	823,814		
Camden Point FPD	General Revenue	25,891,242	0.4759	0.4759	123,216		
Smithville Area FPD	General Revenue	312,322,550	0.2821	0.2821	881,062		
	Debt Service	312,322,550	0.2278	0.2000	624,645		
Edgerton-Trimble FPD	General Revenue	44,099,823	0.5028	0.5028	221,734		
Dearborn Area FPD	General Revenue	34,950,873	0.5238	0.5238	183,073		
Platte County Health Department	General Revenue	2,850,318,303	0.0772	0.0772	2,200,446		
North Platte County R-I SD	Operating Funds-Schools	63,591,753	3.7722	3.7500	2,384,691	D	
	Debt Service	63,591,753	1.0394	0.9900	629,558		
West Platte County R-II SD	Operating Funds-Schools	214,342,823	4.0905	4.0905	8,767,693	D	
Platte County R-III School District	Operating Funds-Schools	573,088,497	3.7158	3.3145	18,995,018		
	Operating Funds-Temp	573,088,497	0.4186	0.4186	2,398,948		2034
	Debt Service	573,088,497	1.4904	1.2862	7,371,064		
Park Hill School District	Operating Funds-Schools	1,877,953,228	4.6827	4.6827	87,938,916	D	
	Debt Service	1,877,953,228	0.8298	0.7128	13,386,051		
Platte County	General Revenue	2,850,318,303	0.3347	0.0600	1,710,191		
	Road & Bridge	515,806,628	0.3262	0.3239	1,670,698		
	Developmental Dis. Board	2,850,318,303	0.1255	0.1255	3,577,149		
	Mental Health	2,850,318,303	0.0965	0.0965	2,750,557		
	Senior Services	2,850,318,303	0.0483	0.0483	1,376,704		
Polk							
Blue Mound SRD Polk County	Road & Bridge	3,998,545	0.3333	0.3333	13,327		
Bolivar SRD Polk County	Road & Bridge	109,442,052	0.1948	0.1948	213,193		
Flemington SRD Polk County	Road & Bridge	2,058,590	0.3305	0.3305	6,804		
Humansville SRD Polk County	Road & Bridge	13,947,864	0.2536	0.2536	35,372		
	Special Road and Bridge	13,947,864	0.3085	0.3085	43,029		2020
Southwest SRD Polk County	Road & Bridge	1,107,673	0.3330	0.3330	3,689		
Polk County SRD	Road & Bridge	218,591,548	0.2662	0.2662	581,891		
Village of Aldrich	General Revenue	709,806	0.3477	0.3477	2,468		
City of Bolivar	General Revenue	106,402,044	0.0000	0.0000	0		
	Parks & Recreation	106,402,044	0.0000	0.0000	0		
City of Fair Play	General Revenue	2,848,169	0.8793	0.8793	25,044		
City of Humansville	General Revenue	6,469,012	0.5575	0.5575	36,065		
City of Morrisville	General Revenue	2,737,109	0.4504	0.4504	12,328		
Polk County Library District	General Revenue	349,146,272	0.2297	0.2297	801,989		
Pleasant Hope FPD	General Revenue	27,967,631	0.2827	0.2827	79,064		
Central Polk County FPD	General Revenue	79,503,977	0.2891	0.2891	229,846		
Morrisville FPD	General Revenue	44,601,705	0.2627	0.2627	117,169		
Polk County Health Center	General Revenue	349,146,272	0.1678	0.1678	585,867		
Bolivar R-I School District	Operating Funds-Schools	180,433,789	3.1736	3.1725	5,724,262	D	

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Polk						
Bolivar R-I School District	Debt Service	180,433,789	0.8214	0.6475	1,168,309	
Fair Play R-II School District	Operating Funds-Schools	22,168,062	3.2935	3.2935	730,105	D
	Debt Service	22,168,062	1.2292	0.6667	147,794	
Halfway R-III School District	Operating Funds-Schools	24,184,995	3.4050	3.4050	823,499	D
	Debt Service	24,184,995	0.7298	0.7298	176,502	
Humansville R-IV School District	Operating Funds-Schools	24,366,804	2.8570	2.8570	696,160	D
	Debt Service	24,366,804	0.4173	0.4173	101,683	
Marion C. Early R-V School District	Operating Funds-Schools	41,774,905	2.7562	2.7562	1,151,400	D
	Debt Service	41,774,905	0.8042	0.6438	268,947	
Pleasant Hope R-VI School District	Operating Funds-Schools	46,659,307	3.3927	3.3927	1,583,010	BD
	Debt Service	46,659,307	0.9124	0.5676	264,838	
Polk County	General Revenue	349,146,272	0.3094	0.3094	1,080,259	
	Developmental Dis. Board	349,146,272	0.0200	0.0200	69,829	
	Senior Services	349,146,272	0.0476	0.0476	166,194	
Pulaski						
Dixon Ambulance District	General Revenue	77,736,528	0.2837	0.2837	220,539	
Pulaski County Ambulance District	General Revenue	460,836,549	0.0000	0.0000	0	
City of Crocker	General Revenue	9,054,014	0.7009	0.7009	63,460	
	Parks & Recreation	9,054,014	0.1761	0.1761	15,944	
City of Dixon	General Revenue	15,935,413	0.4891	0.4891	77,940	
	Library	15,935,413	0.1500	0.1500	23,903	
	Debt Service	15,935,413	0.6210	0.6210	98,959	
City of St. Robert	General Revenue	102,428,848	0.3589	0.3589	367,617	
City of Waynesville	General Revenue	68,251,348	0.6346	0.6346	433,123	
City of Richland	General Revenue	15,065,808	0.6557	0.6557	98,787	
Pulaski County Library District	General Revenue	494,313,192	0.1365	0.1365	674,738	
Hazelgreen FPD	General Revenue	26,855,661	0.2754	0.2754	73,960	
Crocker Rural FPD	General Revenue	37,270,187	0.2543	0.2543	94,778	
Waynesville Rural FPD	General Revenue	181,431,327	0.4588	0.4588	832,407	
Dixon Rural FPD	General Revenue	84,334,078	0.2554	0.2554	215,389	
Pulaski County Health Department	General Revenue	510,139,774	0.0726	0.0726	370,361	
Swedeborg R-III School District	Operating Funds-Schools	6,256,474	3.4342	3.4300	214,597	D
Pulaski County R-IV School District	Operating Funds-Schools	36,947,857	3.1219	3.0500	1,126,910	BD
Laquey R-V School District	Operating Funds-Schools	38,282,523	2.7500	2.7500	1,052,769	D
	Debt Service	38,282,523	0.1123	0.1123	42,991	
Waynesville R-VI School District	Operating Funds-Schools	325,567,723	2.9714	2.9500	9,604,248	D
Dixon R-I School District	Operating Funds-Schools	68,603,234	2.7500	2.7500	1,886,589	D
	Debt Service	68,603,234	0.3097	0.2700	185,229	
Crocker R-II School District	Operating Funds-Schools	33,242,977	2.7500	2.7500	914,182	D
	Debt Service	33,242,977	0.5831	0.5764	191,613	
Pulaski County	General Revenue	510,139,774	0.0000	0.0000	0	
	Road & Bridge	510,139,774	0.1987	0.1987	1,013,648	
	Developmental Dis. Board	510,139,774	0.0722	0.0722	368,321	
	Senior Services	510,139,774	0.0451	0.0451	230,073	
Putnam						
Putnam County Ambulance District	General Revenue	97,241,394	0.3666	0.3666	356,487	
Putnam County Care Center	General Revenue	97,241,394	0.2838	0.2838	275,971	
Unionville SRD Putnam County	Road & Bridge	15,424,535	0.2843	0.2843	43,852	

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Putnam							
Unionville SRD Putnam County	Special Road and Bridge	15,424,535	0.3644	0.3644	56,207		2021
Lake Thunderhead SRD Putnam County	Road & Bridge	22,875,548	0.2794	0.2794	63,914		
	Special Road and Bridge	22,875,548	0.3405	0.3405	77,891		2020
Village of Livonia	General Revenue	314,616	0.5000	0.5000	1,573		
Village of Lucerne	General Revenue	1,493,373	0.4814	0.4814	7,189		
Village of Powersville	General Revenue	436,762	0.4598	0.4598	2,008		
City of Unionville	General Revenue	15,082,669	0.8778	0.8778	132,396		
	Parks & Recreation	15,082,669	0.1777	0.1777	26,802		
	Fire	15,082,669	0.1777	0.1777	26,802		
Village of Worthington	General Revenue	263,439	0.4998	0.4998	1,317		
Elm Township Putnam County	Road & Bridge	8,114,043	0.4864	0.4864	39,467		
	Special Road and Bridge	8,114,043	0.3500	0.3500	28,399	A	2022
Grant Township Putnam County	Road & Bridge	2,646,774	0.4972	0.4972	13,160		
	Special Road and Bridge	2,646,774	0.3582	0.3582	9,481		2021
Jackson Township Putnam County	Road & Bridge	3,729,135	0.5000	0.5000	18,646		
	Special Road and Bridge	3,729,135	0.3558	0.3558	13,268	A	2022
Liberty Township Putnam County	Road & Bridge	4,225,571	0.4838	0.4838	20,443		
	Special Road and Bridge	4,225,571	0.3621	0.3621	15,301		2020
Lincoln Township Putnam County	Road & Bridge	6,849,578	0.5000	0.5000	34,248		
	Special Road and Bridge	6,849,578	0.3631	0.3631	24,871		2020
Medicine Township Putnam County	Road & Bridge	9,035,537	0.4876	0.4876	44,057		
	Special Road and Bridge	9,035,537	0.3485	0.3485	31,489		2020
Richland Township Putnam County	Road & Bridge	4,560,283	0.5000	0.5000	22,801		
	Special Road and Bridge	4,560,283	0.3513	0.3513	16,020		2020
Sherman Township Putnam County	Road & Bridge	2,632,579	0.5000	0.5000	13,163		
	Special Road and Bridge	2,632,579	0.3569	0.3569	9,396		2020
Union Township Putnam County	Road & Bridge	6,553,017	0.4980	0.4980	32,634		
	Special Road and Bridge	6,553,017	0.3502	0.3502	22,949	A	2022
Wilson Township Putnam County	Road & Bridge	5,328,274	0.5000	0.5000	26,641		
	Special Road and Bridge	5,328,274	0.3500	0.3500	18,649		2020
York Township Putnam County	Road & Bridge	5,369,816	0.4591	0.4591	24,653		
	Special Road and Bridge	5,369,816	0.3415	0.3415	18,338		2020
Elm Township FPD	General Revenue	8,114,043	0.2984	0.2984	24,212		
Liberty Township FPD	General Revenue	4,225,571	0.2888	0.2888	12,203		
Grant Township FPD	General Revenue	2,646,774	0.2983	0.2983	7,895		
York Township Volunteer FPD	General Revenue	5,380,579	0.2600	0.2600	13,990		
Putnam County Health Department	General Revenue	97,241,394	0.2749	0.2749	267,317		
Putnam County R-I School District	Operating Funds-Schools	91,106,458	3.2148	3.2148	2,928,890	D	
	Debt Service	91,106,458	0.5252	0.3900	355,315		
Putnam County	General Revenue	97,241,394	0.4584	0.4584	445,755		
	Library	97,241,394	0.1990	0.1990	193,510		
	Hospital	97,241,394	0.4584	0.4584	445,755		
	Senior Services	97,241,394	0.0458	0.0458	44,537		
	Debt Service	97,241,394	0.5413	0.0000	0		
Ralls							
Ralls County Ambulance District 3	General Revenue	191,548,395	0.3960	0.3960	758,532		
City of Center	General Revenue	5,193,712	0.7928	0.7928	41,176		
	Fire	5,193,712	0.1842	0.1842	9,567		

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Ralls							
City of New London	General Revenue	10,967,745	0.4319	0.4319	47,370		
City of Perry	General Revenue	9,729,004	0.4987	0.4987	48,519		
	Fire	9,729,004	0.2676	0.2676	26,035		
Ralls County Library District	General Revenue	219,884,635	0.0949	0.0949	208,671		
Hannibal Rural FPD	General Revenue	115,452,137	0.1434	0.1434	165,558		
Ralls County Health Department	General Revenue	266,602,000	0.0928	0.0928	247,407		
Ralls County R-II School District	Operating Funds-Schools	92,334,819	2.7500	2.7500	2,539,208	E	
	Debt Service	92,334,819	1.1070	0.7100	655,577		
Ralls County	General Revenue	266,602,000	0.2754	0.2754	734,222		
	Road & Bridge	266,602,000	0.2615	0.2615	697,164		
Randolph							
Randolph County Ambulance District	General Revenue	512,977,521	0.0000	0.0000	0		
Moberly SRD Randolph County	Special Road and Bridge	206,985,584	0.0919	0.0919	190,220		2019
Village of Cairo	General Revenue	2,555,109	0.4953	0.4953	12,655		
City of Clark	General Revenue	2,459,538	0.9919	0.9919	24,396		
City of Clifton Hill	General Revenue	744,667	0.7500	0.7500	5,585		
City of Higbee	General Revenue	3,125,518	0.8492	0.8492	26,542		
	Parks & Recreation	3,125,518	0.1447	0.1447	4,523		
	Debt Service	3,125,518	1.2486	1.2486	39,025		
City of Huntsville	General Revenue	12,491,035	0.7752	0.7752	96,831		
	Parks & Recreation	12,491,035	0.1000	0.1000	12,491		
	Cemetery	12,491,035	0.1910	0.1910	23,858		
	Fire	12,491,035	0.0000	0.0000	0		
Village of Jacksonville	General Revenue	557,002	0.5000	0.5000	2,785		
	Parks & Recreation	557,002	0.4000	0.4000	2,228		
City of Moberly	General Revenue	163,796,228	0.7223	0.7223	1,183,100		
	Parks & Recreation	163,796,228	0.3352	0.3352	549,045		
Village of Renick	General Revenue	1,293,961	0.4944	0.4944	6,397		
Randolph County Library District	General Revenue	512,977,521	0.2419	0.2419	1,240,893		
Higbee Area FPD	General Revenue	27,639,737	0.2537	0.2537	70,122		
Southeastern Randolph FPD	General Revenue	30,531,061	0.2717	0.2717	82,953		
Eastern Randolph Rural FPD	General Revenue	22,777,106	0.2910	0.2910	66,281		
Northeast R-IV Rural FPD	General Revenue	49,104,884	0.2150	0.2150	105,576		
Westran FPD	General Revenue	215,746,660	0.2566	0.2566	553,606		
Downtown Moberly CID	Capital Improvements	3,168,510	7.2744	7.2744	230,490		2036
Randolph County Health Department	General Revenue	512,977,521	0.1450	0.1450	743,817		
Moberly Area Community College	General Revenue	207,592,130	0.3319	0.3319	688,998		
Northeast Randolph County R-IV SD	Operating Funds-Schools	28,313,446	3.7505	3.7505	1,061,896	D	
	Debt Service	28,313,446	1.2830	0.8700	246,327		
Renick R-V School District	Operating Funds-Schools	16,449,739	3.9044	3.9044	642,264	D	
	Operating Funds-Temp	16,449,739	0.4691	0.4691	77,166		2025
Higbee R-VIII School District	Operating Funds-Schools	13,334,177	3.8642	3.8642	515,259	D	
	Debt Service	13,334,177	1.4656	1.0000	133,342		
Westran R-I School District	Operating Funds-Schools	165,047,772	3.7500	3.7500	6,189,291		
Moberly School District	Operating Funds-Schools	187,830,658	3.2784	3.2784	6,157,840	D	
	Debt Service	187,830,658	1.4423	1.4423	2,709,082		
Randolph County	General Revenue	512,977,521	0.3629	0.2242	1,150,096		
	Road & Bridge	512,977,521	0.1939	0.1939	994,663		

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Randolph							
Randolph County	Developmental Dis. Board	512,977,521	0.1439	0.1439	738,175		
Ray							
Ray County Ambulance District	General Revenue	299,414,305	0.2799	0.1563	467,985		
Senior Citizen's NHD	General Revenue	360,877,462	0.1380	0.1380	498,011		
Willow Creek Watershed Subdistrict	General Revenue	16,362,800	0.1854	0.1854	30,337		
Camden SRD Ray County	Road & Bridge	14,458,153	0.3346	0.3346	48,377		
	Special Road and Bridge	14,458,153	0.2294	0.2294	33,167		2019
Hardin SRD Ray County	Road & Bridge	15,930,583	0.2412	0.2412	38,425		
Henrietta SRD Ray County	Road & Bridge	8,754,037	0.3082	0.3082	26,980		
Lawson SRD Ray County	Road & Bridge	41,368,421	0.2470	0.2470	102,180		
	Special Road and Bridge	41,368,421	0.2876	0.2876	118,976		2019
Orrick SRD Ray County	Road & Bridge	25,571,821	0.4346	0.4346	111,135		
Richmond SRD Ray County	Road & Bridge	107,302,601	0.2539	0.2539	272,441		
Ray County SRD	Road & Bridge	141,714,890	0.2452	0.2452	347,485		
	Special Road and Bridge	141,714,890	0.2325	0.2325	329,487		2021
Crystal Lakes SRD Ray County	Special Road and Bridge	3,963,285	0.4800	0.4800	19,024	A	
City of Camden	General Revenue	1,634,781	0.6344	0.6344	10,371		
	Streets	1,634,781	0.0097	0.0097	159		
	Fire	1,634,781	0.0000	0.0000	0		
	Streets-Temp	1,634,781	0.3021	0.3021	4,939	A	2022
Village of Elmira	General Revenue	677,655	0.4308	0.4308	2,919		
City of Fleming	General Revenue	877,150	0.2466	0.2466	2,163		
City of Hardin	General Revenue	5,934,964	1.0000	1.0000	59,350		
City of Henrietta	General Revenue	3,620,658	1.0000	1.0000	36,207		
	Parks & Recreation	3,620,658	0.1055	0.1055	3,820		
	Streets	3,620,658	0.3034	0.3034	10,985	A	2022
City of Orrick	General Revenue	9,172,439	0.8010	0.8010	73,471		
City of Richmond	General Revenue	70,983,142	0.6479	0.6479	459,900		
	Parks & Recreation	70,983,142	0.1617	0.1617	114,780		
	Debt Service	70,983,142	0.3842	0.3842	272,717		
City of Wood Heights	General Revenue	8,770,077	0.3702	0.3702	32,467		
City of Homestead Village	General Revenue	989,382	0.4712	0.4712	4,662		
	General Revenue-Temp	989,382	0.5076	0.5076	5,022		2019
City of Excelsior Estates	General Revenue	563,487	0.9998	0.9998	5,634		
City of Crystal Lakes	General Revenue	3,971,427	0.9686	0.9686	38,467		
	Parks & Recreation	3,971,427	0.0200	0.0200	794		
	Streets	3,971,427	0.2956	0.2956	11,740		2021
City of Lawson	General Revenue	28,126,151	0.6857	0.6857	192,861		
	Debt Service	28,126,151	1.2342	1.2342	347,133		
Ray County Library District	General Revenue	362,357,368	0.1974	0.1974	715,293		
Orrick FPD	General Revenue	42,943,787	0.2561	0.2300	98,771		
Wood Heights FPD	General Revenue	51,474,543	0.2685	0.2685	138,209		
Lawson Community Fire & Rescue	General Revenue	90,215,645	0.5963	0.5963	537,956		
	Ambulance	90,215,645	0.6810	0.6810	614,369		
Hardin FPD	General Revenue	24,585,742	0.2701	0.2701	66,406		
Stet Rural FPD	General Revenue	17,339,009	0.3070	0.3070	53,231		
Richmond FPD	General Revenue	75,319,933	0.2558	0.2558	192,668		
Ray County Health Department	General Revenue	362,357,368	0.0924	0.0924	334,818		

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Ray							
Lawson R-XIV School District	Operating Funds-Schools	78,571,087	2.9512	2.9512	2,318,790	D	
	Debt Service	78,571,087	1.4296	0.9500	746,425		
Orrick R-XI School District	Operating Funds-Schools	26,348,612	3.8247	3.8247	1,007,755	D	
	Debt Service	26,348,612	1.1545	1.0062	265,120		
Hardin-Central C-2 School District	Operating Funds-Schools	19,380,552	4.7639	4.7639	923,270	D	
Richmond R-XVI School District	Operating Funds-Schools	125,760,238	4.4329	4.4329	5,574,826	D	
Ray County	General Revenue	362,357,368	0.3989	0.0000	0		
	Capital Improvements	362,357,368	0.0774	0.0774	280,465		
	Hospital	362,357,368	0.1753	0.1753	635,212		
	Developmental Dis. Board	362,357,368	0.1753	0.1753	635,212		
	Mental Health	362,357,368	0.0923	0.0923	334,456		
	Senior Services	362,357,368	0.0472	0.0472	171,033		
	Noxious Weed	362,357,368	0.0242	0.0242	87,690		
Reynolds							
Reynolds County Ambulance District	General Revenue	175,508,347	0.1500	0.0800	140,407		
City of Bunker	General Revenue	1,961,752	0.6035	0.6035	11,839		
City of Centerville	General Revenue	870,122	0.4175	0.4175	3,633		
Reynolds County Library District	General Revenue	173,244,351	0.1149	0.1121	194,207		
Garwood FPD	General Revenue	3,423,685	0.3000	0.3000	10,271		
Northern Reynolds County FPD	General Revenue	65,921,705	0.2000	0.2000	131,843		
Reynolds County Health Center	General Revenue	173,244,351	0.1000	0.1000	173,244		
Centerville R-I School District	Operating Funds-Schools	6,300,178	4.2851	4.2851	269,969	D	
Southern Reynolds County R-II SD	Operating Funds-Schools	52,463,295	2.7500	2.7500	1,442,741		
	Debt Service	52,463,295	1.1723	1.1100	582,343		
Bunker R-III School District	Operating Funds-Schools	47,539,499	2.9069	2.7500	1,307,336		
Lesterville R-IV School District	Operating Funds-Schools	58,501,720	3.5179	3.4300	2,006,609	D	
Reynolds County	General Revenue	173,244,351	0.4890	0.3928	680,504		
	Road & Bridge	173,244,351	0.3500	0.3500	606,355		
	Developmental Dis. Board	173,244,351	0.1000	0.1000	173,244		
	Senior Services	173,244,351	0.0300	0.0300	51,973		
Ripley							
Ripley County Ambulance District	General Revenue	86,434,870	0.2843	0.2843	245,734		
Fourche Creek Watershed Subdistrict	General Revenue	4,996,670	0.1426	0.1426	7,125		
Bennett SRD Ripley County	Road & Bridge	338,944	0.2466	0.2466	836		
Current River SRD Ripley County	Road & Bridge	1,150,139	0.2486	0.2486	2,859		
Doniphan SRD Ripley County	Road & Bridge	49,843,533	0.2174	0.2174	108,360		
	Special Road and Bridge	49,843,533	0.1542	0.1542	76,859		2020
Fairdealing SRD Ripley County	Road & Bridge	5,658,400	0.1928	0.1928	10,909		
Flatwoods SRD Ripley County	Road & Bridge	2,678,823	0.3349	0.3349	8,971		
Jordan SRD Ripley County	Road & Bridge	8,952,273	0.1968	0.1968	17,618		
Little Black SRD Ripley County	Road & Bridge	2,029,608	0.3500	0.3500	7,104		
Logan Creek SRD Ripley County	Road & Bridge	4,868,124	0.1963	0.1963	9,556		
Mabrey Bay SRD Ripley County	Road & Bridge	209,657	0.2280	0.2280	478		
Naylor SRD Ripley County	Road & Bridge	5,642,161	0.3411	0.3411	19,245		
	Special Road and Bridge	5,642,161	0.5024	0.5024	28,346	A	2021
Oxly SRD Ripley County	Road & Bridge	3,315,928	0.3244	0.3244	10,757		
Pine Bardley SRD Ripley County	Road & Bridge	2,850,184	0.1828	0.1828	5,210		
Ponder Gatewood SRD Ripley County	Road & Bridge	7,070,752	0.1532	0.1532	10,832		

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Ripley							
Ponder Gatewood SRD Ripley County	Special Road and Bridge	7,070,752	0.3522	0.3522	24,903	A	2021
Poynor SRD Ripley County	Road & Bridge	2,336,195	0.1914	0.1914	4,471		
Pratt SRD Ripley County	Road & Bridge	642,278	0.2558	0.2558	1,643		
Purman SRD Ripley County	Road & Bridge	3,065,912	0.1751	0.1751	5,368		
	Special Road and Bridge	3,065,912	0.3205	0.3205	9,826	A	2021
Running Water SRD Ripley County	Road & Bridge	313,189	0.2720	0.2720	852		
Tucker Bay SRD Ripley County	Road & Bridge	404,013	0.1785	0.1785	721		
Wolfe Creek SRD Ripley County	Road & Bridge	960,724	0.2726	0.2726	2,619		
	Special Road and Bridge	960,724	0.1000	0.1000	961	A	2021
City of Doniphan	General Revenue	18,661,186	0.3936	0.3936	73,450		
	Debt Service	18,661,186	0.4959	0.0000	0		
City of Naylor	General Revenue	1,916,197	0.9570	0.9570	18,338		
Doniphan-Ripley County PLD	General Revenue	102,330,836	0.1738	0.1738	177,851		
	Debt Service	102,330,836	0.0166	0.0166	16,987		
Ripley County Public Health Center	General Revenue	102,330,836	0.1433	0.1433	146,640		
Naylor R-II School District	Operating Funds-Schools	11,300,286	3.4179	3.4179	386,232	D	
Doniphan R-I School District	Operating Funds-Schools	77,104,753	2.7500	2.7500	2,120,381	D	
Ripley County R-IV School District	Operating Funds-Schools	6,513,525	2.7662	2.7500	179,122	E	
Ripley County R-III School District	Operating Funds-Schools	6,534,710	3.4311	3.4300	224,141	D	
Ripley County	General Revenue	102,330,836	0.2997	0.0000	0		
	Developmental Dis. Board	102,330,836	0.0955	0.0955	97,726		
	Senior Services	102,330,836	0.0478	0.0478	48,914		
St. Charles							
St. Charles Ambulance District	General Revenue	9,496,859,001	0.2195	0.2195	20,845,606		
	Debt Service	9,496,859,001	0.0603	0.0400	3,798,744		
Town of Augusta	General Revenue	8,004,504	0.1949	0.1949	15,601		
	Lights	8,004,504	0.0973	0.0973	7,788		
City of Lake St. Louis	General Revenue	418,493,376	0.4986	0.4986	2,086,608		
	Debt Service	418,493,376	0.5327	0.4700	1,966,919		
City of O'Fallon	General Revenue	2,040,838,559	0.3354	0.3354	6,844,973		
	Parks & Recreation	2,040,838,559	0.0000	0.0000	0		
	Debt Service	2,040,838,559	0.2528	0.2208	4,506,172		
City of Portage Des Sioux	General Revenue	4,870,972	0.6660	0.6660	32,441		
	Debt Service	4,870,972	0.0075	0.0075	365		
City of St. Charles	General Revenue	1,619,119,733	0.4843	0.4843	7,841,397		
	Parks & Recreation	1,619,119,733	0.2088	0.2088	3,380,722		
	Debt Service	1,619,119,733	0.1781	0.1613	2,611,640		
City of St. Peters	General Revenue	1,402,121,981	0.5584	0.5584	7,829,449		
	Debt Service	1,402,121,981	0.4942	0.2116	2,966,890		
City of Wentzville	General Revenue	989,765,233	0.6123	0.6123	6,060,333		
	Parks & Recreation	989,765,233	0.0599	0.0599	592,869		
City of St. Paul	General Revenue	76,647,343	0.1965	0.1965	150,612		
Town of Weldon Springs Heights	General Revenue	2,366,839	0.3945	0.3945	9,337		
City of Flint Hill	General Revenue	14,626,589	0.2084	0.2084	30,482		
City of New Melle	General Revenue	18,538,157	0.4643	0.4643	86,073		
City of Cottleville	General Revenue	156,672,399	0.2819	0.2819	441,659		
City of Dardenne Prairie	General Revenue	311,443,874	0.1025	0.1025	319,230		
St. Charles City-County PLD	General Revenue	9,496,859,001	0.1996	0.1996	18,955,731		

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St. Charles							
Cottleville FPD	General Revenue	1,470,792,785	0.7254	0.7254	10,669,131		
	Pension	1,470,792,785	0.0815	0.0815	1,198,696		
	Debt Service	1,470,792,785	0.0719	0.0719	1,057,500		
Lake St. Louis FPD	General Revenue	305,584,730	0.6364	0.6364	1,944,741		
	Pension	305,584,730	0.0248	0.0248	75,785		
	Debt Service	305,584,730	0.2344	0.2000	611,169		
O'Fallon FPD	General Revenue	1,714,891,847	0.7818	0.7818	13,407,024		
	Pension	1,714,891,847	0.0375	0.0375	643,084		
	Debt Service	1,714,891,847	0.0413	0.0413	708,250		
Wentzville FPD	General Revenue	1,980,675,483	0.6734	0.6734	13,337,869		
	Debt Service	1,980,675,483	0.1746	0.1100	2,178,743		
Augusta FPD	General Revenue	62,370,552	0.4376	0.4376	272,934		
New Melle FPD	General Revenue	278,066,328	0.6372	0.6372	1,771,839		
	Pension	278,066,329	0.1000	0.1000	278,066	A	
Orchard Farm FPD	General Revenue	40,375,536	0.4172	0.4172	168,447		
Central County Fire & Rescue	General Revenue	1,958,781,985	0.9384	0.9384	18,381,210		
	Pension	1,958,781,985	0.0415	0.0415	812,895		
	Debt Service	1,958,781,985	0.0904	0.0859	1,682,594		
Rivers Pointe FPD	General Revenue	60,956,222	0.2368	0.2368	144,344		
BaratHaven CID	General Revenue	22,119,217	0.8306	0.8306	183,722		
St. Charles Co Community College	General Revenue	9,444,527,927	0.1579	0.1579	14,912,910		
	Debt Service	9,444,527,927	0.0440	0.0440	4,155,592		
Fort Zumwalt R-II School District	Operating Funds-Schools	2,688,582,725	4.1535	4.1606	111,861,173	DC	
	Debt Service	2,688,582,725	0.6900	0.6900	18,551,221		
Francis Howell R-III SD	Operating Funds-Schools	2,827,394,013	3.9767	3.9767	112,436,978	D	
	Debt Service	2,827,394,013	0.6713	0.6713	18,980,296		
Wentzville R-IV School District	Operating Funds-Schools	2,205,738,917	3.3498	3.3498	73,887,842	D	
	Operating Funds-Temp	2,205,738,917	0.2561	0.2561	5,648,897		2030
	Operating Funds-Temp 1	2,205,738,917	0.2223	0.2223	4,903,358		2034
	Debt Service	2,205,738,917	1.0868	0.9304	20,522,195		
St. Charles R-VI School District	Operating Funds-Schools	1,112,080,856	4.3789	4.3789	48,696,909	D	
	Debt Service	1,112,080,856	0.9311	0.7500	8,340,606		
Orchard Farm R-V School District	Operating Funds-Schools	403,207,001	3.8933	3.6967	14,905,353		
	Debt Service	403,207,001	0.7395	0.7300	2,943,411		
St. Charles County	General Revenue	9,496,859,001	0.1434	0.0000	0		
	Johnson Grass	9,496,859,001	0.0000	0.0000	0		
	Road & Bridge	9,496,859,001	0.1781	0.1781	16,913,906		
	Developmental Dis. Board	9,496,859,001	0.1279	0.1279	12,146,483		
	Dispatch	9,496,859,001	0.0400	0.0400	3,798,744		
St. Clair							
Ellett Memorial Hospital District	General Revenue	45,353,591	0.4897	0.4897	222,097		
St. Clair Co Hospital District 1	General Revenue	83,471,215	0.0000	0.0000	0		2019
Chloe SRD St. Clair County	Special Road and Bridge	2,891,278	0.2804	0.2804	8,107		2019
Collins SRD St. Clair County	Special Road and Bridge	7,958,280	0.2774	0.2774	22,076		2021
Hillsdale SRD St. Clair County	Special Road and Bridge	1,804,691	0.3672	0.3672	6,627		2020
Lowry City SRD St. Clair County	Special Road and Bridge	5,034,256	0.3514	0.3514	17,690	A	2022
Osceola SRD St. Clair County	Special Road and Bridge	17,691,135	0.3275	0.3217	56,912	A	2022
Vista SRD St. Clair County	Special Road and Bridge	4,657,968	0.4815	0.4815	22,428		2019

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St. Clair							
City of Appleton City	General Revenue	8,754,357	0.7071	0.7071	61,902		
	Parks & Recreation	8,754,357	0.3500	0.3500	30,640		
	Library	8,754,357	0.2000	0.2000	17,509		
	Police & Fire	8,754,357	0.2100	0.2100	18,384		
City of Lowry City	General Revenue	5,025,567	0.6563	0.6563	32,983		
	Lights	5,025,567	0.2037	0.2037	10,237		
	Health	5,025,567	0.0000	0.0000	0		
City of Osceola	General Revenue	6,469,224	0.7261	0.7261	46,973		
	Parks & Recreation	6,469,224	0.0982	0.0982	6,353		
Village of Roscoe	General Revenue	761,552	0.4478	0.4478	3,410		
St. Clair County Library District	General Revenue	110,784,125	0.1916	0.1916	212,262		
Iconium FPD	General Revenue	11,821,092	0.3000	0.3000	35,463		
Sac Osage FPD	General Revenue	32,342,340	0.2471	0.2471	79,918		
St. Clair County Health Center	General Revenue	119,538,591	0.2070	0.2070	247,445		
Appleton City R-II School District	Operating Funds-Schools	29,248,777	3.7580	3.7580	1,099,169	D	
Roscoe C-1 School District	Operating Funds-Schools	7,001,109	3.6000	3.6000	252,040	D	
Lakeland R-III School District	Operating Funds-Schools	34,582,213	3.1624	3.1624	1,093,628	D	
	Debt Service	34,582,213	1.1188	0.8105	280,289		
Osceola School District	Capital Improvements	32,577,833	1.6014	1.6014	521,701		2026
	Operating Funds-Schools	32,577,833	2.2317	2.2317	727,039	D	
St. Clair County	General Revenue	119,538,591	0.4772	0.3319	396,749		
	Road & Bridge	119,538,591	0.2824	0.2824	337,577		
	Common Road District	64,559,447	0.3261	0.3261	210,528	A	2022
St. Francois							
St. Francois County SRD 2	Road & Bridge	36,305,924	0.2363	0.2363	85,791		
City of Bismarck	General Revenue	9,672,133	0.5151	0.5151	49,821		
	Health	9,672,133	0.1580	0.1580	15,282		
City of Bonne Terre	General Revenue	37,820,116	0.5834	0.5701	215,612	A	
City of Desloge	General Revenue	39,301,098	0.4223	0.4223	165,969		
City of Farmington	General Revenue	253,681,785	0.4034	0.4034	1,023,352		
City of Leadington	General Revenue	11,449,642	0.3598	0.3598	41,196		
City of Leadwood	General Revenue	5,606,166	0.9432	0.9432	52,877		
City of Iron Mountain Lake	General Revenue	3,133,152	0.7657	0.7657	23,991		
	Debt Service	3,133,152	1.3825	1.3825	43,316		
City of Park Hills	General Revenue	56,349,230	0.6209	0.6209	349,872		
Leadwood FPD	General Revenue	16,554,507	0.7851	0.7851	129,969	B	
Doe Run FPD	General Revenue	68,118,611	0.2743	0.2743	186,849		
St. Francois County Health Center	General Revenue	819,750,076	0.0891	0.0891	730,397		
Mineral Area College	General Revenue	1,014,688,507	0.3338	0.3338	3,387,030		
	Debt Service	1,014,688,507	0.1526	0.1300	1,319,095		
Bismarck R-V School District	Operating Funds-Schools	28,558,417	3.4796	3.4796	993,719	D	
	Debt Service	28,558,417	1.2879	0.7400	211,332		
Farmington R-VII School District	Operating Funds-Schools	435,697,048	2.7500	2.7500	11,981,669	D	
	Debt Service	435,697,048	1.0446	0.9000	3,921,273		
North St. Francois County R-I SD	Operating Funds-Schools	181,843,986	3.2117	3.2117	5,840,283	D	
	Debt Service	181,843,986	1.4289	1.2134	2,206,495		
Central R-III School District	Operating Funds-Schools	104,655,309	3.2228	3.2228	3,372,831	D	
	Debt Service	104,655,309	1.1921	1.0055	1,052,309		

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St. Francois						
West St. Francois County R-IV SD	Operating Funds-Schools	48,967,869	2.9888	2.9888	1,463,552	D
	Debt Service	48,967,869	1.2719	1.0612	519,647	
St. Francois County	General Revenue	819,750,076	0.3207	0.0527	432,008	
	Road & Bridge	806,723,907	0.2439	0.2439	1,967,600	
	Ambulance	819,750,076	0.0000	0.0000	0	
	Developmental Dis. Board	819,750,076	0.0891	0.0891	730,397	
	Senior Services	819,750,076	0.0482	0.0482	395,120	
Ste. Genevieve						
City of Bloomsdale	General Revenue	12,635,177	0.3057	0.3057	38,626	
City of St. Mary	General Revenue	4,018,768	1.0000	1.0000	40,188	
City of Ste. Genevieve	General Revenue	68,142,267	0.4812	0.4812	327,901	
	Parks & Recreation	68,142,267	0.1251	0.1251	85,246	
	Cemetery	68,142,267	0.0480	0.0480	32,708	
	Band	68,142,267	0.0773	0.0773	52,674	
	Public Safety	68,142,267	0.2693	0.2684	182,894	A
Ste. Genevieve County PLD	General Revenue	479,522,663	0.0473	0.0473	226,814	
Ste. Genevieve County Health	General Revenue	479,522,663	0.0964	0.0964	462,260	
Ste. Genevieve County R-II SD	Operating Funds-Schools	397,899,949	3.0212	3.0212	12,021,353	D
	Debt Service	397,899,949	0.6472	0.4400	1,750,760	
Ste. Genevieve County	General Revenue	479,522,663	0.3588	0.2540	1,217,988	
	Road & Bridge	479,522,663	0.2519	0.2519	1,207,918	
	Hospital	479,522,663	0.1618	0.1618	775,868	
	Ambulance	480,046,479	0.1147	0.0253	121,452	
	Developmental Dis. Board	479,522,663	0.0550	0.0550	263,737	
	Mental Health	479,522,663	0.0964	0.0964	462,260	
	Senior Services	479,522,663	0.0301	0.0301	144,336	
St. Louis						
Eureka FPD	General Revenue	473,779,841	0.8607	0.8607	4,077,823	
	Ambulance	473,779,841	0.2451	0.2451	1,161,234	
	Pension	473,779,841	0.0821	0.0821	388,973	
	Dispatch	473,779,841	0.0244	0.0244	115,602	
	Debt Service	473,779,841	0.1938	0.1500	710,670	
Metropolitan SwrD St. Louis	General Revenue	31,940,398,770	0.0175	0.0175	5,589,570	
	Storm	31,008,345,980	0.0902	0.0902	27,969,528	
Metro Zoological Park & Museum Dist	Art Museum	31,744,558,408	0.0721	0.0727	23,078,294	C
	Botanical Garden	31,744,558,408	0.0362	0.0365	11,586,764	C
	Museum of Mo. History	31,744,558,408	0.0362	0.0365	11,586,764	C
	Museum of Nat. History	31,744,558,408	0.0362	0.0365	11,586,764	C
	Zoological Park	31,744,558,408	0.0721	0.0727	23,078,294	C
Rockwood R-VI School District	Operating Funds-Schools	4,117,115,290	3.5487	3.6663	150,945,798	DC
	Debt Service	4,117,115,290	1.0180	0.6800	27,996,384	
St Louis Co Special School District	Operating Funds-Schools	27,324,010,556	1.1077	1.1077	302,668,065	
Saline						
Saline County Ambulance District 3	General Revenue	249,715,139	0.1967	0.1967	491,190	
Slater Ambulance District 1	General Revenue	62,578,568	0.4686	0.4686	293,243	B
Sweet Springs Ambulance District	General Revenue	72,991,042	0.2897	0.2897	211,455	
Blackburn Elmwood SRD Saline County	Road & Bridge	12,439,923	0.2593	0.2593	32,257	

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Saline							
Blackburn Elmwood SRD Saline County	Special Road and Bridge	12,439,923	0.3504	0.3504	43,589		2021
	Sp. Road & Bridge-Temp	12,439,923	0.3541	0.3541	44,050	A	2022
Gilliam SRD Saline County	Road & Bridge	12,189,154	0.2846	0.2846	34,690		
	Special Road and Bridge	12,189,154	0.2900	0.2900	35,349		2020
Grand Pass SRD Saline County	Road & Bridge	6,544,376	0.2814	0.2814	18,416		
	Special Road and Bridge	6,544,376	0.3642	0.3642	23,835	A	2022
Marshall SRD Saline County	Road & Bridge	164,518,332	0.2580	0.2580	424,457		
	Special Road and Bridge	164,518,332	0.2753	0.2753	452,919	A	2022
Slater SRD Saline County	Road & Bridge	36,318,968	0.2959	0.2959	107,468		
	Special Road and Bridge	36,318,968	0.3546	0.3546	128,787		2021
Sweet Springs SRD Saline County	Road & Bridge	27,315,614	0.3153	0.3153	86,126		
	Special Road and Bridge	27,315,614	0.3052	0.3052	83,367		2020
Malta Bend SRD Saline County	Road & Bridge	19,830,820	0.2664	0.2664	52,829		
	Special Road and Bridge	19,830,820	0.3698	0.3698	73,334		2020
Village of Arrow Rock	General Revenue	1,479,127	0.2567	0.2567	3,797		
	General Revenue-Temp	1,479,127	0.3029	0.3029	4,480		2019
City of Blackburn	General Revenue	2,419,934	0.5689	0.5689	13,767		
	Lights	2,419,934	0.1156	0.1156	2,797		
	General Revenue-Temp	2,419,934	0.2900	0.2900	7,018		2021
City of Gilliam	General Revenue	1,124,912	0.7396	0.7396	8,320		
	Lights	1,124,912	0.3944	0.3944	4,437		
Village of Grand Pass	General Revenue	564,773	0.5000	0.5000	2,824		
	General Revenue-Temp	564,773	0.0428	0.0428	242	A	2022
City of Malta Bend	General Revenue	1,939,441	1.0000	1.0000	19,394		
City of Marshall	General Revenue	137,437,589	0.6687	0.6687	919,045		
	Parks & Recreation	137,437,589	0.2892	0.2892	397,470		
	Band	137,437,589	0.0448	0.0448	61,572		
	Library	137,437,589	0.1718	0.1718	236,118		
City of Miami	General Revenue	1,319,610	0.4987	0.4987	6,581		
	Streets	1,319,610	0.6483	0.6483	8,555		
Village of Mount Leonard	General Revenue	315,413	0.9759	0.9759	3,078		
City of Nelson	General Revenue	1,251,514	0.7652	0.7652	9,577		
City of Slater	General Revenue	14,115,065	0.8046	0.8046	113,570		
	Parks & Recreation	14,115,065	0.2000	0.2000	28,230		
	Library	14,115,065	0.2500	0.2500	35,288		
City of Sweet Springs	General Revenue	13,293,119	0.7293	0.7293	96,947		
	Parks & Recreation	13,293,119	0.3466	0.3466	46,074		
	Library	13,293,119	0.1771	0.1771	23,542		
	Debt Service	13,293,119	0.5309	0.5309	70,573		
City of Emma	General Revenue	2,175,934	0.4936	0.4936	10,740		
Malta Bend FPD	General Revenue	23,350,684	0.1897	0.1897	44,296		
West Central FPD	General Revenue	56,551,202	0.2631	0.2631	148,786		
Slater Rural FPD	General Revenue	29,205,399	0.2266	0.2266	66,179		
Saline County Rural FPD	General Revenue	72,885,952	0.2577	0.2577	187,827		
Saline County Health Department	General Revenue	371,795,810	0.1261	0.1261	468,835		
Miami R-I School District	Operating Funds-Schools	10,888,972	3.9291	3.9291	427,839	D	
Orearville R-IV School District	Operating Funds-Schools	7,434,225	4.9665	4.9665	369,221	D	
	Operating Funds-Temp	7,434,225	0.3760	0.3760	27,953		2021

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Saline							
Malta Bend R-V School District	Operating Funds-Schools	11,914,943	4.7500	4.7500	565,960	D	
Hardeman R-X School District	Operating Funds-Schools	8,842,611	4.3701	4.3701	386,431	D	
Gilliam C-4 School District	Operating Funds-Schools	3,278,375	4.6237	4.6237	151,582	D	
Marshall School District	Operating Funds-Schools	170,571,716	2.6608	2.6111	4,453,798	D	
	Operating Funds-Temp	170,571,716	0.5089	0.5089	868,039		2026
Slater School District	Operating Funds-Schools	20,724,437	4.1000	4.1000	849,702	D	
	Debt Service	20,724,437	1.1440	0.7132	147,807		
Sweet Springs R-VII School District	Operating Funds-Schools	33,280,160	3.0524	3.0524	1,015,844	D	
	Debt Service	33,280,160	0.9465	0.8769	291,834		
Saline County	General Revenue	371,795,810	0.1802	0.1537	571,450		
	Common Road District	92,315,838	0.2402	0.2402	221,743		
	Developmental Dis. Board	371,795,810	0.0564	0.0564	209,693		
	Common Road-Temp	92,315,838	0.3513	0.3513	324,306		2021
	Special Road and Bridge	92,315,838	0.3586	0.3586	331,045	A	2022
Schuyler							
Schuyler County Ambulance District	General Revenue	54,739,754	0.3964	0.3964	216,988		
Schuyler County NHD	General Revenue	54,739,754	0.1486	0.1486	81,343		
City of Downing	General Revenue	1,964,912	1.0000	1.0000	19,649		
Village of Glenwood	General Revenue	1,172,748	0.5000	0.5000	5,864		
City of Greentop	General Revenue	4,174,142	1.0000	1.0000	41,741		
City of Lancaster	General Revenue	5,159,545	0.9902	0.9902	51,090		
	Parks & Recreation	5,159,545	0.2000	0.2000	10,319		
City of Queen City	General Revenue	3,939,826	0.9970	0.9970	39,280		
	Debt Service	3,939,826	0.2283	0.2283	8,995		
Schuyler County Library District	General Revenue	54,739,754	0.1486	0.1486	81,343		
Schuyler County Health Department	General Revenue	54,739,754	0.2973	0.2973	162,741		
Schuyler County R-I School District	Operating Funds-Schools	50,452,708	3.4202	3.4202	1,725,584	D	
	Debt Service	50,452,708	0.8404	0.7798	393,430		
Schuyler County	General Revenue	54,739,754	0.4955	0.3570	195,421		
	Common Road District	54,739,754	0.4758	0.4758	260,452		
	Special Road and Bridge	54,739,754	0.2635	0.2635	144,239		2019
	Senior Services	54,739,754	0.0495	0.0495	27,096		
Scotland							
Scotland County Ambulance District	General Revenue	81,136,053	0.2472	0.2472	200,568		
Scotland County Memorial Hospital	General Revenue	81,136,053	0.4953	0.4953	401,867		
Scotland County NHD	General Revenue	81,136,053	0.2972	0.2972	241,136		
Bear Creek Watershed Subdistrict	General Revenue	1,253,998	0.4000	0.4000	5,016		
Village of Arbela	General Revenue	182,833	0.5000	0.5000	914		
Village of Granger	General Revenue	220,122	0.7105	0.7105	1,564		
City of Memphis	General Revenue	15,416,670	0.3158	0.3158	48,686		
	Cemetery	15,416,670	0.0546	0.0546	8,418		
	Streets	15,416,670	0.3612	0.3612	55,685		
	Fire	15,416,670	0.1382	0.1382	21,306		
	Pool	15,416,670	0.1928	0.1928	29,723		
Village of Rutledge	General Revenue	749,633	0.4082	0.4082	3,060		
City of South Gorin	General Revenue	829,447	0.7576	0.7576	6,284		
	Fire	829,447	0.1893	0.1893	1,570		
Scotland County Library District	General Revenue	81,136,053	0.1883	0.1883	152,779		

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Scotland							
Scotland County Health Department	General Revenue	81,136,053	0.3030	0.3030	245,842	B	
Scotland County R-I School District	Operating Funds-Schools	71,431,080	3.6235	3.6235	2,588,305	D	
Scotland County	General Revenue	81,136,053	0.4953	0.4953	401,867		
	Road & Bridge	81,136,053	0.3468	0.3468	281,380		
	Special Road and Bridge	81,136,053	0.3124	0.3124	253,469		2019
Scott							
Southern Scott Ambulance District	General Revenue	275,399,459	0.3000	0.3000	826,198		
North Scott Ambulance District	General Revenue	219,096,575	0.2977	0.2977	652,251		
Illmo SRD Scott County	Road & Bridge	68,349,800	0.3420	0.3420	233,756		
Sikeston SRD Scott County	Road & Bridge	230,098,878	0.1800	0.1800	414,178		
City of Benton	General Revenue	9,464,742	0.6351	0.6351	60,111		
	Parks & Recreation	9,464,742	0.1973	0.1973	18,674		
City of Blodgett	General Revenue	1,640,588	0.2869	0.2869	4,707		
City of Chaffee	General Revenue	19,855,617	0.8499	0.8499	168,753		
	Parks & Recreation	19,855,617	0.1812	0.1812	35,978		
	Library	19,855,617	0.1812	0.1812	35,978		
Village of Commerce	General Revenue	633,486	0.5000	0.5000	3,167		
Village of Diehlstadt	General Revenue	525,001	0.5000	0.3837	2,014		
Village of Haywood City	General Revenue	586,420	0.5000	0.5000	2,932		
Village of Kelso	General Revenue	6,962,865	0.5000	0.5000	34,814		
	Fire	6,962,865	0.1300	0.1300	9,052		2021
City of Miner	General Revenue	23,138,309	0.3013	0.3000	69,415		
City of Morley	General Revenue	4,501,856	0.6773	0.6773	30,491		
City of Oran	General Revenue	10,044,890	0.7546	0.7546	75,799		
	Parks & Recreation	10,044,890	0.2000	0.2000	20,090		
City of Scott City	General Revenue	49,112,948	0.5320	0.5320	261,281		
	Parks & Recreation	49,112,948	0.1900	0.1900	93,315		
	Cemetery	49,112,948	0.0500	0.0500	24,556		
	Debt Service	49,112,948	0.3205	0.3205	157,407		
Village of Vanduser	General Revenue	1,464,106	0.4944	0.4944	7,239		
	Fire	1,464,106	0.0000	0.0000	0		
City of Sikeston	General Revenue	232,147,631	0.4171	0.4171	968,288		
	Parks & Recreation	232,147,631	0.1818	0.1818	422,044		
	Library	143,055,577	0.2000	0.2000	286,111		
Scott County Library District	General Revenue	353,193,140	0.0954	0.0954	336,946		
Sikeston FPD	General Revenue	50,996,109	0.1259	0.1259	64,204		
NBC FPD	General Revenue	55,591,019	0.2990	0.2990	166,217		
Scott County Rural FPD	General Revenue	54,473,012	0.5803	0.5803	316,107		
Oran FPD	General Revenue	20,680,096	0.4003	0.4003	82,782		
Scott County Health Department	General Revenue	494,496,032	0.1000	0.1000	494,496		
Scott City R-I School District	Operating Funds-Schools	61,498,080	3.2896	3.2896	2,023,041	D	
	Debt Service	61,498,080	0.5110	0.4900	301,341		
Chaffee R-II School District	Operating Funds-Schools	26,706,340	2.8175	2.8175	752,451	D	
	Debt Service	26,706,340	1.7458	1.2500	333,829		
Scott County R-IV School District	Operating Funds-Schools	69,183,550	2.7500	2.7500	1,902,548	D	
	Debt Service	69,183,550	0.8937	0.7500	518,877		
Scott County R-V School District	Operating Funds-Schools	18,822,590	4.6119	4.6119	868,079	D	
	Debt Service	18,822,590	1.0364	0.7000	131,758		

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Scott							
Sikeston R-VI School District	Operating Funds-Schools	264,078,930	3.6541	3.6541	9,649,708	D	
	Debt Service	264,078,930	0.2116	0.2100	554,566		
Kelso C-7 School District	Operating Funds-Schools	30,113,150	2.9273	2.9273	881,502	D	
	Debt Service	30,113,150	0.6777	0.6777	204,077		
Oran R-III School District	Operating Funds-Schools	24,241,740	3.1260	3.1000	751,494	D	
	Debt Service	24,241,740	0.8619	0.8500	206,055		
Scott County	General Revenue	494,496,032	0.3470	0.0000	0		
	Johnson Grass	494,496,032	0.0100	0.0100	49,450		
	Common Road District	196,047,355	0.3012	0.3012	590,495		
	Developmental Dis. Board	494,496,032	0.0403	0.0403	199,282		
Shannon							
Shannon County Ambulance District	General Revenue	66,126,500	0.1327	0.1327	87,750		
City of Birch Tree	General Revenue	4,405,074	0.4740	0.4740	20,880		
Timber Community FPD	General Revenue	5,340,203	0.2939	0.2939	15,695		
Shannon County Health Department	General Revenue	84,294,505	0.0978	0.0978	82,440		
Winona R-III School District	Operating Funds-Schools	20,326,061	2.7500	2.7500	558,967	E	
Eminence R-I School District	Operating Funds-Schools	24,696,656	3.3354	3.3354	823,732	D	
Shannon County	General Revenue	84,294,505	0.3180	0.1769	149,117		
	Road & Bridge	84,294,505	0.2384	0.2384	200,958		
	Developmental Dis. Board	84,294,505	0.0956	0.0956	80,586		
	Senior Services	84,294,505	0.0489	0.0489	41,220		
Shelby							
Salt River Ambulance District	General Revenue	122,306,382	0.2500	0.1688	206,453		
Clarence NHD	General Revenue	31,880,062	0.2045	0.2045	65,195		
Salt River NHD	General Revenue	110,184,566	0.3000	0.3000	330,554		
Shelbina SRD Shelby County	Road & Bridge	29,427,931	0.4700	0.4700	138,311		
Village of Bethel	General Revenue	742,694	0.7500	0.7500	5,570		
	Lights	742,694	0.2500	0.2500	1,857		
City of Clarence	General Revenue	5,220,732	1.0000	1.0000	52,207		
	Library	5,220,732	0.1000	0.1000	5,221		
	Streets	5,220,732	0.2000	0.2000	10,441		
City of Hunnewell	General Revenue	1,314,846	0.8375	0.8375	11,012		
Village of Leonard	General Revenue	842,397	0.5000	0.5000	4,212		
City of Shelbina	General Revenue	20,778,655	1.0000	0.9897	205,646		
	Library	20,778,655	0.2500	0.2500	51,947		
City of Shelbyville	General Revenue	3,936,881	0.9482	0.9482	37,330		
	General Revenue-Temp	3,936,881	0.3114	0.3114	12,259		2021
Shelbina FPD	General Revenue	70,221,403	0.2500	0.2500	175,554		
Shelby County Health Department	General Revenue	132,315,035	0.2500	0.2500	330,788		
North Shelby School District	Operating Funds-Schools	36,315,683	3.8125	3.7450	1,360,022	D	
	Debt Service	36,315,683	0.3013	0.2550	92,605		
Shelby County R-IV School District	Operating Funds-Schools	63,766,927	3.8748	3.8484	2,454,006	D	
	Operating Funds-Temp	63,766,927	0.6316	0.6316	402,752		2037
Shelby County	General Revenue	132,315,035	0.5000	0.3950	522,644		
	Road & Bridge	102,885,745	0.3500	0.3500	360,100		
Stoddard							
Stoddard County Ambulance District	General Revenue	469,751,955	0.2065	0.2065	970,038		

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Stoddard							
Bluff SRD Stoddard County	Johnson Grass	10,781,703	0.0500	0.0500	5,391		
	Road & Bridge	10,781,703	0.1766	0.1766	19,040		
	Special Road and Bridge	10,781,703	0.3585	0.3585	38,652		2021
Crowder Zeta SRD Stoddard County	Johnson Grass	3,698,072	0.0442	0.0442	1,635		
	Road & Bridge	3,698,072	0.2725	0.2725	10,077		
Dudley SRD Stoddard County	Johnson Grass	22,193,841	0.0486	0.0486	10,786		
	Road & Bridge	22,193,841	0.2634	0.2634	58,459		
	Special Road and Bridge	22,193,841	0.3563	0.3563	79,077	A	2022
Essex SRD Stoddard County	Johnson Grass	19,876,921	0.0477	0.0477	9,481		
	Road & Bridge	19,876,921	0.2321	0.2321	46,134		
	Special Road and Bridge	19,876,921	0.3500	0.3500	69,569		2020
Gray Ridge SRD Stoddard County	Road & Bridge	13,631,150	0.3148	0.3148	42,911		
Lavalle SRD Stoddard County	Road & Bridge	2,987,589	0.3478	0.3478	10,391		
City of Bell City	General Revenue	2,610,049	0.7210	0.7210	18,818		
City of Bernie	General Revenue	15,102,905	0.5561	0.5561	83,987		
	Parks & Recreation	15,102,905	0.0900	0.0900	13,593		
City of Bloomfield	General Revenue	13,022,676	0.5325	0.5325	69,346		
	Library	13,022,676	0.1554	0.1554	20,237		
City of Dexter	General Revenue	99,845,561	0.6000	0.6000	599,073		
	Library	99,845,561	0.1679	0.1679	167,641		
City of Dudley	General Revenue	9,106,308	0.6352	0.6352	57,843		
City of Essex	General Revenue	3,821,138	0.4242	0.4242	16,209		
City of Puxico	General Revenue	7,643,752	0.5659	0.5659	43,256		
	Parks & Recreation	7,643,752	0.2426	0.2426	18,544		
	Cemetery	7,643,752	0.1154	0.1154	8,821		
	Library	7,643,752	0.0810	0.0810	6,191		
	Health	7,643,752	0.1154	0.1154	8,821		
Village of Penermon	General Revenue	145,910	0.5000	0.5000	730		
Castor Township Stoddard County	General Revenue	67,270,008	0.0734	0.0734	49,376		
	Road & Bridge	56,940,266	0.5031	0.5031	286,466		
	Special Road and Bridge	56,940,266	0.3548	0.3548	202,024		2020
Duck Creek Township Stoddard County	General Revenue	52,279,389	0.1000	0.1000	52,279		
	Johnson Grass	52,279,389	0.0401	0.0401	20,964		
	Road & Bridge	30,988,947	0.2709	0.2709	83,949		
	Special Road and Bridge	30,988,947	0.3560	0.3560	110,321		2019
Elk Township Stoddard County	General Revenue	15,542,568	0.1000	0.1000	15,543		
	Road & Bridge	13,260,794	0.5056	0.5056	67,047		
	Special Road and Bridge	13,260,794	0.3539	0.3539	46,930	A	2022
Liberty Township Stoddard County	General Revenue	217,360,804	0.0818	0.0818	177,801		
	Johnson Grass	217,360,804	0.0500	0.0500	108,680		
	Road & Bridge	217,360,804	0.1533	0.1533	333,214		
	Special Road and Bridge	217,360,804	0.3585	0.3585	779,238	A	2022
New Lisbon Township Stoddard County	General Revenue	11,834,229	0.0883	0.0883	10,450		
	Johnson Grass	11,834,229	0.0500	0.0500	5,917		
	Road & Bridge	11,834,229	0.2538	0.2538	30,035		
	Special Road and Bridge	11,834,229	0.3607	0.3607	42,686		2020
Pike Township Stoddard County	General Revenue	68,796,492	0.1000	0.1000	68,796		
	Johnson Grass	68,796,492	0.0500	0.0500	34,398		

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Listing of 2019 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
Stoddard							
Pike Township Stoddard County	Road & Bridge	63,873,679	0.2623	0.2623	167,541		
Richland Township Stoddard County	General Revenue	35,695,579	0.0801	0.0801	28,592		
	Road & Bridge	2,183,336	0.3500	0.3500	7,642		
Stoddard County Public Health	General Revenue	469,751,955	0.1000	0.1000	469,752		
Richland R-I School District	Operating Funds-Schools	29,716,145	4.1637	4.1633	1,237,172	D	
	Debt Service	29,716,145	0.2983	0.1700	50,517		
Bell City R-II School District	Operating Funds-Schools	34,790,412	3.2936	3.1500	1,095,898	D	
Advance R-IV School District	Operating Funds-Schools	34,404,002	2.9776	2.9776	1,024,414	D	
	Debt Service	34,404,002	0.7658	0.6800	233,947		
Puxico R-VIII School District	Operating Funds-Schools	46,505,206	2.7500	2.7500	1,278,893	D	
	Debt Service	46,505,206	0.8850	0.7900	367,391		
Bloomfield R-XIV School District	Operating Funds-Schools	50,602,714	3.1242	3.1000	1,568,684	D	
	Debt Service	50,602,714	0.5117	0.2600	131,567		
Dexter R-XI School District	Operating Funds-Schools	192,897,044	2.7719	2.7719	5,346,913	D	
	Debt Service	192,897,044	1.1845	0.8000	1,543,176		
Bernie R-XIII School District	Operating Funds-Schools	38,380,000	2.9805	2.9805	1,143,916	D	
	Debt Service	38,380,000	0.3960	0.3000	115,140		
Stoddard County	General Revenue	469,751,955	0.0000	0.0000	0		
	Johnson Grass	469,751,955	0.0000	0.0000	0		
	Developmental Dis. Board	469,751,955	0.0811	0.0806	378,620		
Stone							
City of Crane	General Revenue	10,196,008	0.8335	0.8335	84,984		
	Parks & Recreation	10,196,008	0.1346	0.1346	13,724		
	Library	10,196,008	0.0000	0.0000	0		
City of Galena	General Revenue	3,325,816	0.5317	0.5317	17,683		
City of Hurley	General Revenue	989,981	0.7596	0.7596	7,520		
City of Kimberling City	General Revenue	44,247,788	0.4400	0.4400	194,690		
City of Reeds Spring	General Revenue	9,913,743	0.6096	0.6096	60,434		
Village of McCord Bend	General Revenue	810,935	0.5000	0.5000	4,055		
Stone County Library District	General Revenue	659,311,283	0.1000	0.1000	659,311		
Southern Stone County FPD	General Revenue	525,338,389	0.2669	0.0805	422,897		
Hurley FPD	General Revenue	18,425,506	0.3300	0.3300	60,804		
North Stone-Northeast Barry Co FPD	General Revenue	39,456,341	0.2776	0.2776	109,531		
Stone County Health Department	General Revenue	659,311,283	0.0785	0.0785	517,559		
Hurley R-I School District	Operating Funds-Schools	12,930,115	3.9602	3.9602	512,058	D	
	Debt Service	12,930,115	2.4866	0.6600	85,339		
Galena R-II School District	Operating Funds-Schools	34,742,395	3.4557	3.4557	1,200,593	D	
	Debt Service	34,742,395	0.7838	0.6154	213,805		
Crane R-III School District	Operating Funds-Schools	29,481,212	3.3000	3.3000	972,880	D	
	Debt Service	29,481,212	1.3742	0.9900	291,864		
Reeds Spring R-IV School District	Operating Funds-Schools	408,999,287	2.9995	2.9995	12,267,934	D	
	Debt Service	408,999,287	1.0905	0.7758	3,173,016		
Blue Eye R-V School District	Operating Funds-Schools	128,140,177	4.0329	4.0329	5,167,765	D	
Stone County	General Revenue	659,311,283	0.2848	0.0995	656,015		
	Road & Bridge	659,311,283	0.1456	0.0000	0		
	Developmental Dis. Board	659,311,283	0.1014	0.1000	659,311		2026
	Senior Services	659,311,283	0.0482	0.0482	317,788		

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Sullivan							
Sullivan County Ambulance District	General Revenue	96,393,697	0.4591	0.4591	442,543		
Locust Creek Watershed Subdistrict	General Revenue	29,577,590	0.4000	0.4000	118,310		
Harris SRD Sullivan County	Road & Bridge	788,162	0.2782	0.2782	2,193		
Milan SRD Sullivan County	Road & Bridge	12,050,359	0.3336	0.3336	40,200		
City of Green Castle	General Revenue	1,249,587	0.5744	0.5744	7,178		
City of Green City	General Revenue	4,405,601	0.5100	0.5100	22,469		
	Lights	4,405,601	0.1800	0.1800	7,930		
	Fire	4,405,601	0.3100	0.3100	13,657		
City of Harris	General Revenue	200,259	0.7636	0.7636	1,529		
Village of Humphreys	General Revenue	244,587	0.7500	0.7500	1,834		
	Parks & Recreation	244,587	0.5000	0.5000	1,223		
	Lights	244,587	1.5000	1.5000	3,669		
	Streets	244,587	1.0000	1.0000	2,446		
City of Milan	General Revenue	12,050,081	0.8094	0.8094	97,533		
	Parks	12,050,081	0.0953	0.0953	11,484		
	Recreation	12,050,081	0.0477	0.0477	5,748		
Village of Newtown	General Revenue	1,227,671	0.6884	0.6884	8,451		
	Parks & Recreation	1,227,671	0.1376	0.1376	1,689		
	General Revenue-Temp	1,227,671	0.2222	0.2222	2,728		2021
Village of Pollock	General Revenue	155,084	0.5448	0.5448	845		2020
Sullivan County Library District	General Revenue	96,393,697	0.0997	0.0997	96,105		
Medicine Creek FPD	General Revenue	27,442,682	0.2930	0.2930	80,407		
Sullivan County Health Department	General Revenue	96,393,697	0.2496	0.2496	240,599		
Green City R-I School District	Operating Funds-Schools	24,881,525	4.3491	3.8530	958,685		
	Debt Service	24,881,525	1.3412	0.6389	158,968		
Milan C-2 School District	Operating Funds-Schools	48,300,625	3.5687	3.5687	1,723,704	D	
	Operating Funds-Temp	48,300,625	0.3587	0.3587	173,254	A	2038
Newtown-Harris R-III SD	Operating Funds-Schools	11,955,374	6.9320	6.4980	776,860		
Sullivan County	General Revenue	96,393,697	0.4985	0.3600	347,017		
	Hospital	96,393,697	0.4287	0.4287	413,240		
	Senior Services	96,393,697	0.0503	0.0503	48,486		
Taney							
Taney County Ambulance District	General Revenue	1,081,139,792	0.0000	0.0000	0		
City of Branson	General Revenue	459,527,105	0.6077	0.6077	2,792,546		
City of Forsyth	General Revenue	30,687,833	0.5423	0.5423	166,420		
City of Hollister	General Revenue	55,180,689	0.6082	0.6082	335,609		
City of Rockaway Beach	General Revenue	6,827,414	0.7479	0.7479	51,062		
City of Merriam Woods	General Revenue	10,432,734	0.4997	0.4997	52,132		
Village of Bull Creek	General Revenue	957,800	0.5000	0.5000	4,789		
Western Taney County FPD	General Revenue	432,853,209	0.3625	0.3625	1,569,093		
Central Taney County FPD	General Revenue	84,930,731	0.4001	0.4001	339,808		
Cedarcreek FPD	General Revenue	6,393,170	0.2800	0.2800	17,901		
Protem FPD	General Revenue	7,768,895	0.2938	0.2938	22,825		
Taney County Health Department	General Revenue	1,081,139,792	0.1399	0.1399	1,512,515		
Bradleyville R-I School District	Operating Funds-Schools	9,013,264	4.5985	4.5985	414,475	D	
Taneyville R-II School District	Operating Funds-Schools	12,269,145	3.5336	3.5336	433,543	D	
	Debt Service	12,269,145	1.0763	0.9492	116,459		
Forsyth R-III School District	Operating Funds-Schools	84,058,242	3.3473	3.3473	2,813,682	D	

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Taney							
Forsyth R-III School District	Debt Service	84,058,242	1.1259	0.7500	630,437		
Branson R-IV School District	Operating Funds-Schools	666,401,925	3.5757	3.5638	23,749,232	D	
	Debt Service	666,401,925	0.8795	0.7000	4,664,813		
Hollister R-V School District	Operating Funds-Schools	225,191,910	3.4499	3.4499	7,768,896	D	
	Debt Service	225,191,910	1.1026	0.8207	1,848,150		
Kirbyville R-VI School District	Operating Funds-Schools	40,328,929	4.0252	4.0252	1,623,320	D	
	Debt Service	40,328,929	0.3682	0.3500	141,151		
Mark Twain R-VIII School District	Operating Funds-Schools	7,791,330	3.9617	3.9617	308,669	D	
Taney County	General Revenue	1,081,139,792	0.1659	0.0000	0		
	Road & Bridge	1,081,139,792	0.2219	0.0000	0		
	Developmental Dis. Board	1,081,139,792	0.0997	0.0997	1,077,896		
	Senior Services	1,081,139,792	0.0498	0.0498	538,408		
Texas							
City of Cabool	General Revenue	24,372,973	0.8979	0.8979	218,845		
City of Houston	General Revenue	27,726,246	0.3161	0.3161	87,643		
City of Licking	General Revenue	14,112,235	0.4213	0.4213	59,455		
Village of Raymondville	General Revenue	2,187,155	0.4485	0.4485	9,809		
City of Summersville	General Revenue	3,738,081	0.6540	0.6540	24,447		
Texas County Library District	General Revenue	251,389,911	0.0959	0.0959	241,083		
Boone Township Texas County	General Revenue	3,005,352	0.0735	0.0735	2,209		
	Road & Bridge	3,005,352	0.2415	0.2415	7,258		
Burdine Township Texas County	General Revenue	39,532,459	0.0975	0.0975	38,544		
	Road & Bridge	39,532,459	0.3248	0.3248	128,401		
Carroll Township Texas County	General Revenue	9,429,181	0.0995	0.0995	9,382		
	Road & Bridge	9,429,181	0.3739	0.3739	35,256		
Cass Township Texas County	General Revenue	12,029,106	0.0976	0.0976	11,740		
	Road & Bridge	12,029,106	0.3360	0.3360	40,418		
Clinton Township Texas County	General Revenue	19,521,535	0.0941	0.0941	18,370		
	Road & Bridge	19,521,535	0.4709	0.4709	91,927		
Current Township Texas County	General Revenue	2,178,181	0.1000	0.1000	2,178		
	Road & Bridge	2,178,181	0.3072	0.3072	6,691		
Date Township Texas County	General Revenue	4,340,069	0.0999	0.0999	4,336		
	Road & Bridge	4,340,069	0.3173	0.3173	13,771		
Jackson Township Texas County	General Revenue	11,409,338	0.0958	0.0958	10,930		
	Road & Bridge	11,409,338	0.3470	0.3470	39,590		
Lynch Township Texas County	General Revenue	14,081,006	0.0933	0.0933	13,138		
	Road & Bridge	14,081,006	0.2933	0.2933	41,300		
Morris Township Texas County	General Revenue	8,256,391	0.0992	0.0992	8,190		
	Road & Bridge	8,256,391	0.5079	0.5079	41,934		
Ozark Township Texas County	General Revenue	4,198,767	0.1000	0.1000	4,199		
	Road & Bridge	4,198,767	0.3855	0.3855	16,186		
Pierce Township Texas County	General Revenue	4,171,659	0.0975	0.0975	4,067		
	Road & Bridge	4,171,659	0.3422	0.3422	14,275		
Piney Township Texas County	General Revenue	53,356,359	0.0924	0.0924	49,301		
	Road & Bridge	53,356,359	0.2886	0.2886	153,986		
Roubidoux Township Texas County	General Revenue	19,669,129	0.0877	0.0877	17,250		
	Road & Bridge	19,669,129	0.2623	0.2623	51,592		
Sargent Township Texas County	General Revenue	4,483,238	0.0634	0.0634	2,842		

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Texas							
Sargent Township Texas County	Road & Bridge	4,483,238	0.2538	0.2538	11,378		
Sherrill Township Texas County	General Revenue	34,937,292	0.0940	0.0940	32,841		
	Road & Bridge	34,937,292	0.3325	0.3325	116,166		
Upton Township Texas County	General Revenue	6,790,849	0.1000	0.1000	6,791		
	Road & Bridge	6,790,849	0.3216	0.3216	21,839		
Texas County Health Department	General Revenue	251,389,911	0.0959	0.0959	241,083		
Success R-VI School District	Operating Funds-Schools	9,573,050	2.7500	2.7500	263,259	D	
Houston R-I School District	Operating Funds-Schools	64,521,719	2.7500	2.7500	1,774,347	D	
	Debt Service	64,521,719	1.1029	0.8000	516,174		
Summersville R-II School District	Operating Funds-Schools	30,864,224	2.9854	2.9854	921,421	D	
Licking R-VIII School District	Operating Funds-Schools	46,138,714	2.7500	2.7500	1,268,815	D	
Cabool R-IV School District	Operating Funds-Schools	56,103,240	2.8582	2.7677	1,552,769	D	
	Operating Funds-Temp	56,103,240	0.4458	0.4458	250,108		2034
Plato R-V School District	Operating Funds-Schools	37,339,077	2.8634	2.8634	1,069,167	D	
Raymondville R-VII School District	Operating Funds-Schools	10,237,047	3.8026	3.7945	388,445	BD	
Texas County	General Revenue	251,389,911	0.2658	0.0425	106,841		
	Developmental Dis. Board	251,389,911	0.0959	0.0959	241,083		
Vernon							
Vernon County Ambulance District	General Revenue	268,167,294	0.1500	0.1500	402,251		
City of Bronaugh	General Revenue	1,021,853	0.1627	0.1627	1,663		
	Streets	1,021,853	0.3660	0.3660	3,740		
Village of Deerfield	General Revenue	692,777	0.3100	0.3100	2,148		
Village of Harwood	General Revenue	483,496	1.0000	1.0000	4,835		
City of Metz	General Revenue	433,325	0.6000	0.6000	2,600		
Village of Milo	General Revenue	244,293	0.7500	0.7500	1,832		
Village of Moundville	General Revenue	767,451	0.5000	0.5000	3,837		
	Parks & Recreation	767,451	0.2000	0.2000	1,535		
City of Nevada	General Revenue	93,431,677	0.7344	0.7344	686,162		
	Parks & Recreation	93,431,677	0.0000	0.0000	0		
	Library	93,431,677	0.2000	0.2000	186,863		
City of Richards	General Revenue	371,015	0.5000	0.5000	1,855		
	Streets	371,015	0.2500	0.2500	928		
City of Schell City	General Revenue	1,094,045	0.8787	0.8787	9,613		
City of Sheldon	General Revenue	2,990,734	0.5626	0.5626	16,826		
	Streets	2,990,734	0.1802	0.1802	5,389		
Village of Stotesbury	General Revenue	76,169	0.3183	0.3183	242		
	Lights	76,169	0.0906	0.0906	69		
	Streets	76,169	0.0467	0.0467	36		
City of Walker	General Revenue	1,320,712	0.6500	0.6500	8,585		
	Lights	1,320,712	0.0500	0.0500	660		
	Streets	1,320,712	0.1500	0.1500	1,981		
Bacon Township Vernon County	General Revenue	6,582,394	0.1000	0.1000	6,582		
	Road & Bridge	6,582,394	0.4101	0.4101	26,994		
	Special Road and Bridge	6,582,394	0.1794	0.1794	11,809		2020
Badger Township Vernon County	General Revenue	6,437,753	0.1000	0.1000	6,438		
	Road & Bridge	6,437,753	0.3500	0.3500	22,532		
	Special Road and Bridge	6,437,753	0.3463	0.3463	22,294		2020
Blue Mound Township Vernon County	General Revenue	4,678,167	0.1000	0.1000	4,678		

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Vernon							
Blue Mound Township Vernon County	Road & Bridge	4,678,167	0.2905	0.2905	13,590		
	Special Road and Bridge	4,678,167	0.1928	0.1928	9,020		2020
Center Township Vernon County	General Revenue	117,920,042	0.1000	0.1000	117,920		
	Road & Bridge	117,920,042	0.3480	0.3480	410,362		
Clear Creek Township Vernon County	General Revenue	7,282,543	0.0998	0.0998	7,268		
	Road & Bridge	7,282,543	0.3646	0.3646	26,552		
	Special Road and Bridge	7,282,883	0.3552	0.3552	25,869		2019
Coal Township Vernon County	General Revenue	10,004,711	0.0878	0.0878	8,784		
	Road & Bridge	10,004,711	0.3072	0.3072	30,734		
	Special Road and Bridge	10,004,711	0.3485	0.3485	34,866		2020
Deerfield Township Vernon County	General Revenue	12,762,150	0.0924	0.0924	11,792		
	Road & Bridge	12,762,150	0.3333	0.3333	42,536		
Dover Township Vernon County	General Revenue	5,936,614	0.1000	0.1000	5,937		
	Road & Bridge	5,936,614	0.2895	0.2895	17,186		
	Special Road and Bridge	5,936,614	0.3742	0.3742	22,215	A	2022
Drywood Township Vernon County	General Revenue	13,035,406	0.0990	0.0990	12,905		
	Road & Bridge	13,035,406	0.2921	0.2921	38,076		
	Special Road and Bridge	13,035,406	0.3542	0.3542	46,171	A	2020
Harrison Township Vernon County	General Revenue	5,982,247	0.0977	0.0977	5,845		
	Road & Bridge	5,982,247	0.3419	0.3419	20,453		
	Special Road and Bridge	5,982,247	0.3533	0.3533	21,135		2020
Henry Township Vernon County	General Revenue	5,517,834	0.0987	0.0987	5,446		
	Road & Bridge	5,517,834	0.3450	0.3450	19,037		
	Special Road and Bridge	5,517,834	0.3654	0.3654	20,162		2020
Lake Township Vernon County	General Revenue	3,412,387	0.1000	0.1000	3,412		
	Road & Bridge	3,412,387	0.5000	0.5000	17,062		
	Special Road and Bridge	3,412,387	0.3716	0.3716	12,680		2020
Metz Township Vernon County	General Revenue	5,181,484	0.1000	0.1000	5,181		
	Road & Bridge	5,181,484	0.3500	0.3500	18,135		
	Special Road and Bridge	5,181,484	0.3662	0.3662	18,975		2020
Montevallo Township Vernon County	General Revenue	5,299,702	0.1000	0.1000	5,300		
	Road & Bridge	5,299,702	0.3500	0.3500	18,549		
	Special Road and Bridge	5,299,702	0.2643	0.2643	14,007	A	2020
Moundville Township Vernon County	General Revenue	7,453,180	0.1000	0.1000	7,453		
	Road & Bridge	7,453,180	0.3500	0.3500	26,086		
	Special Road and Bridge	7,453,180	0.3612	0.3612	26,921		2020
Osage Township Vernon County	General Revenue	4,925,826	0.0930	0.0930	4,581		
	Road & Bridge	4,925,826	0.3254	0.3254	16,029		
	Special Road and Bridge	4,925,826	0.3541	0.3541	17,442		2019
Richland Township Vernon County	General Revenue	3,835,114	0.1000	0.1000	3,835		
	Road & Bridge	3,835,114	0.3500	0.3500	13,423		
	Special Road and Bridge	3,835,114	0.3917	0.3917	15,022		2019
Virgil Township Vernon County	General Revenue	5,365,743	0.0855	0.0855	4,588		
	Road & Bridge	5,365,743	0.3099	0.3099	16,628		
Walker Township Vernon County	General Revenue	6,544,087	0.0985	0.0985	6,446		
	Road & Bridge	6,544,087	0.3280	0.3280	21,465		
Washington Township Vernon County	General Revenue	29,346,460	0.0993	0.0993	29,141		
	Road & Bridge	29,346,460	0.3475	0.3475	101,979		

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Vernon							
Washington Township Vernon County	Special Road and Bridge	29,346,460	0.3555	0.3555	104,327		2020
Vernon County Health Department	General Revenue	268,167,294	0.1000	0.1000	268,167		
Nevada R-V School District	Operating Funds-Schools	179,248,275	3.4892	3.4892	6,254,331	D	
	Debt Service	179,248,275	0.3948	0.3886	696,559		
Bronaugh R-VII School District	Operating Funds-Schools	14,062,850	4.4181	4.4181	621,311	BD	
Sheldon R-VIII School District	Operating Funds-Schools	12,562,431	4.4269	4.4269	556,126	D	
Northeast Vernon County R-I SD	Operating Funds-Schools	19,706,019	4.2535	4.1934	826,352	D	
Vernon County	General Revenue	268,167,294	0.3732	0.1876	503,082		
Warren							
Marthasville Community AD	General Revenue	103,252,015	0.4069	0.4069	420,132		
Warren County Ambulance District	General Revenue	503,842,444	0.4991	0.4991	2,514,678		
City of Marthasville	General Revenue	17,003,685	0.5791	0.5756	97,873		
	Lights	17,003,685	0.1321	0.1313	22,326		
City of Truesdale	General Revenue	26,575,682	0.8617	0.8617	229,003		
City of Warrenton	General Revenue	105,035,032	0.2899	0.2899	304,497		
	Parks & Recreation	105,035,032	0.1716	0.1716	180,240		
City of Wright City	General Revenue	64,585,882	0.4970	0.4970	320,992		
	Parks & Recreation	64,585,882	0.0923	0.0923	59,613		
	Lights	64,585,882	0.1846	0.1846	119,226		
	Debt Service	64,585,882	0.2014	0.2014	130,076		
Village of Innsbrook	General Revenue	64,729,372	0.1272	0.1272	82,336		
Village of Pendleton	General Revenue	1,565,439	0.5000	0.5000	7,827		
Wright City FPD	General Revenue	232,371,241	0.5895	0.5895	1,369,828	B	
Marthasville Volunteer FPD	General Revenue	80,004,445	0.3965	0.3965	317,218		
	Debt Service	80,004,445	0.3732	0.3030	242,413		
Warrenton FPD	General Revenue	272,682,595	0.4497	0.4497	1,226,254		
Wright City R-II School District	Operating Funds-Schools	221,245,358	3.1924	3.1924	7,063,037	D	
	Debt Service	221,245,358	1.6649	1.2000	2,654,944		
Warren County R-III School District	Operating Funds-Schools	293,538,615	3.6159	3.6159	10,614,063	D	
	Debt Service	293,538,615	0.6455	0.6455	1,894,792		
Warren County	General Revenue	612,966,772	0.2452	0.1005	616,032		
	Road & Bridge	612,966,772	0.1767	0.1767	1,083,112		
	Developmental Dis. Board	613,701,745	0.1603	0.1603	983,764		
Washington							
Washington County AD	General Revenue	264,180,319	0.2375	0.0799	211,080		
Village of Caledonia	General Revenue	1,228,668	0.1773	0.1773	2,178		
City of Irondale	General Revenue	2,433,336	0.5118	0.5118	12,454		
Village of Mineral Point	General Revenue	1,229,385	0.2964	0.2964	3,644		
City of Potosi	General Revenue	27,428,796	0.6511	0.6511	178,589		
Washington County Library District	General Revenue	264,180,319	0.1901	0.1901	502,207		
Potosi FPD	General Revenue	175,359,515	0.2399	0.2399	420,687		
Richwoods FPD	General Revenue	17,612,518	0.2737	0.2737	48,205		
Irondale FPD	General Revenue	12,198,780	0.4747	0.4747	57,908		
Caledonia FPD	General Revenue	7,098,740	0.3757	0.3757	26,670		
Washington County Health Department	General Revenue	264,180,319	0.1425	0.1425	376,457		
Kingston K-14 School District	Operating Funds-Schools	32,259,118	2.9944	2.9008	935,772	D	
	Debt Service	32,259,118	1.0565	0.9895	319,204		
Potosi R-III School District	Operating Funds-Schools	94,769,528	2.7500	2.7500	2,606,162	E	

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Washington							
Potosi R-III School District	Debt Service	94,769,528	0.7024	0.5000	473,848		
Richwoods R-VII School District	Operating Funds-Schools	14,293,213	3.2443	3.2443	463,715	D	
Valley R-VI School District	Operating Funds-Schools	26,054,552	3.7301	3.7301	971,861	D	
Washington County	General Revenue	264,180,319	0.3705	0.1909	504,320		
	Road & Bridge	264,180,319	0.2605	0.2605	688,190		
	Hospital	264,180,319	0.1901	0.1901	502,207		
	Developmental Dis. Board	264,180,319	0.1901	0.1901	502,207		
	Senior Services	264,180,319	0.0475	0.0475	125,486		
Wayne							
East Wayne Ambulance District	General Revenue	61,851,909	0.3000	0.3000	185,556		
Clearwater Ambulance District	General Revenue	73,698,949	0.2930	0.2930	215,938		
Village of Mill Spring	General Revenue	519,135	0.7156	0.7156	3,715		
City of Piedmont	General Revenue	17,027,824	0.2389	0.2200	37,461		
	Lights	17,027,824	0.1412	0.1300	22,136		
	Cemetery	17,027,824	0.0326	0.0300	5,108		
	Library	17,027,824	0.1086	0.1000	17,028		
Clearwater FPD	General Revenue	56,159,508	0.3000	0.3000	168,479		
Wayne County Health Center	General Revenue	138,316,846	0.1000	0.1000	138,317		
Greenville R-II School District	Operating Funds-Schools	45,993,881	2.7500	2.7500	1,264,832	D	
	Debt Service	45,993,881	1.1503	0.3600	165,578		
Clearwater R-I School District	Operating Funds-Schools	66,521,394	2.7500	2.7500	1,829,338	D	
	Debt Service	66,521,394	0.5191	0.4000	266,086		
Wayne County	General Revenue	138,316,846	0.3027	0.0000	0		
	Road & Bridge	138,316,846	0.1116	0.1100	152,149		
	Developmental Dis. Board	138,316,846	0.0812	0.0800	110,653		
Webster							
Village of Diggins	General Revenue	2,444,985	0.2244	0.2244	5,487		
City of Fordland	General Revenue	5,904,330	0.3810	0.3810	22,495		
City of Marshfield	Parks & Recreation	90,105,610	0.1108	0.1108	99,837		
	Cemetery	90,105,610	0.1310	0.1310	118,038		
	Debt Service	90,105,610	1.4287	0.3700	333,391		
City of Niangua	General Revenue	1,953,449	0.2719	0.2719	5,311		
City of Rogersville	General Revenue	41,221,863	0.3267	0.3267	134,672		
	Debt Service	41,221,863	0.5037	0.5037	207,635		
City of Seymour	General Revenue	19,536,666	0.3536	0.3536	69,082		
	Parks & Recreation	19,536,666	0.0785	0.0785	15,336		
	Cemetery	19,536,666	0.0495	0.0495	9,671		
	Library	7,915,254	0.0630	0.0630	4,987		
Webster County Library District	General Revenue	437,398,143	0.1133	0.1133	495,572		
Southern Webster County FPD	General Revenue	86,462,438	0.2819	0.2819	243,738		
Marshfield FPD	General Revenue	116,228,425	0.2867	0.2867	333,227		
Niangua FPD	General Revenue	17,976,156	0.2859	0.2859	51,394		
Webster County Health Unit	General Revenue	445,320,297	0.1324	0.1324	589,604		
Niangua R-V School District	Operating Funds-Schools	18,342,740	3.1304	3.1304	574,201	D	
Fordland R-III School District	Operating Funds-Schools	38,752,112	2.7500	2.7500	1,065,683	E	
	Debt Service	38,752,112	0.9153	0.7589	294,090		
Marshfield R-I School District	Operating Funds-Schools	220,260,468	3.2404	3.2400	7,136,439	D	
	Debt Service	220,260,468	1.0889	0.6000	1,321,563		

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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
Webster							
Seymour R-II School District	Operating Funds-Schools	57,294,086	2.7500	2.7500	1,575,587	E	
Webster County	General Revenue	445,320,297	0.0000	0.0000	0		
	Road & Bridge	445,320,297	0.1797	0.1797	800,241		
	Developmental Dis. Board	445,320,297	0.0757	0.0757	337,107		
	Senior Services	445,320,297	0.0477	0.0477	212,418		
Worth							
Worth County Ambulance District	General Revenue	33,949,607	0.3000	0.3000	101,849		
Worth Co Convalescent Ctr District	General Revenue	33,949,607	0.3500	0.3500	118,824		
East Fork of Grand River WSD	General Revenue	2,879,930	0.1938	0.1938	5,581		
Village of Allendale	General Revenue	696,935	0.4000	0.4000	2,788		
	General Revenue-Temp	696,935	0.2039	0.2039	1,421		2021
Village of Denver	General Revenue	287,320	0.7642	0.7642	2,196		
City of Grant City	General Revenue	5,011,761	1.0000	1.0000	50,118		
	Health	5,011,761	0.1800	0.1800	9,021		
	Special Fund	5,011,761	0.3000	0.3000	15,035		
City of Sheridan	General Revenue	1,298,863	1.0000	1.0000	12,989		
Village of Worth	General Revenue	231,186	0.8000	0.8000	1,849		
Sheridan FPD	General Revenue	6,714,192	0.1759	0.1759	11,810		
Worth County FPD	General Revenue	24,909,249	0.2000	0.2000	49,818		
Worth County R-III School District	Operating Funds-Schools	29,132,680	3.4537	3.4537	1,006,155	D	
	Debt Service	29,132,680	0.2873	0.2500	72,832		
Worth County	General Revenue	33,949,607	0.5000	0.5000	169,748		
	Library	33,949,607	0.1000	0.1000	33,950		
	Road & Bridge	33,949,607	0.5000	0.5000	169,748		
	Special Road and Bridge	33,949,607	0.3603	0.3500	118,824		2021
	Senior Services	33,949,607	0.0500	0.0500	16,975		
	General Revenue-Temp	33,949,607	0.3516	0.3500	118,824	A	2022
	General Revenue-Temp 1	33,949,607	0.3516	0.3500	118,824	A	2022
Wright							
City of Hartville	General Revenue	4,016,129	0.5723	0.0000	0		
City of Mansfield	General Revenue	11,642,696	0.5214	0.5214	60,705		
	Cemetery	11,642,696	0.0986	0.0986	11,480		
	Streets	11,642,696	0.1586	0.1586	18,465		
City of Mountain Grove	General Revenue	47,512,561	0.0000	0.0000	0		
	Parks & Recreation	47,512,561	0.0000	0.0000	0		
City of Norwood	General Revenue	4,185,697	0.3945	0.3945	16,513		
	Water	4,185,697	0.6292	0.6292	26,336		
Wright County Library District	General Revenue	193,732,782	0.1439	0.1439	278,781		
Wright County Health Department	General Revenue	193,732,782	0.0822	0.0822	159,248		
Norwood R-I School District	Operating Funds-Schools	18,556,489	3.6675	3.6675	680,559	D	
Hartville R-II School District	Operating Funds-Schools	40,197,155	3.1013	3.1013	1,246,634	D	
	Debt Service	40,197,155	0.0000	0.0000	0		
Mountain Grove R-III SD	Operating Funds-Schools	99,837,923	2.7500	2.7500	2,745,543	D	
Mansfield R-IV School District	Operating Funds-Schools	40,237,089	2.9208	2.9200	1,174,923	D	
	Debt Service	40,237,089	1.1305	1.0700	430,537		
Manes R-V School District	Operating Funds-Schools	5,473,912	3.6623	3.6623	200,471	D	
Wright County	General Revenue	193,732,782	0.3188	0.1000	193,733		
	Developmental Dis. Board	193,732,782	0.0822	0.0822	159,248		

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2019 Property Tax Rates
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Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue		Expiration Year
St. Louis City							
St. Louis Public Library Districts	General Revenue	4,541,761,993	0.5424	0.5424	24,634,517		
Baden Market Centre SBD	General Revenue	1,412,600	0.8500	0.8500	12,007		
Kingsway Center SBD	General Revenue	2,241,400	0.8500	0.8500	19,052		
Locust Central SBD	General Revenue	41,639,260	0.8500	0.8500	353,934		
Central West End South SBD	General Revenue	47,806,141	0.5805	0.5805	277,515		
Central West End North SBD	General Revenue	59,846,580	0.8500	0.8500	508,696	A	2028
Soulard SBD	General Revenue	66,836,605	0.5410	0.5410	361,586		
Waterman/Lake SBD	General Revenue	6,962,140	0.8126	0.8126	56,574		2024
Westminister/Lake SBD	General Revenue	11,271,220	0.6795	0.6795	76,588		2024
Washington Place SBD	General Revenue	7,166,810	0.6773	0.6773	48,541		2024
Cathedral Square SBD	General Revenue	31,538,130	0.8500	0.8500	268,074	A	2028
Central West End Southeast SBD	General Revenue	70,916,510	0.8500	0.8500	602,790	A	2028
Cherokee-Lemp SBD	General Revenue	2,242,500	0.5373	0.5373	12,049		
Gardenside SBD	General Revenue	20,054,890	0.3992	0.3992	80,059		2022
Tower Grove S Concerned Citizen SBD	General Revenue	18,093,640	0.8500	0.6500	117,609	A	2033
DeBaliviere Place SBD	General Revenue	37,688,710	0.8500	0.8500	320,354		2024
St. Louis Community College	General Revenue	32,244,681,159	0.1986	0.1986	64,037,937		
St. Louis City School District	Operating Funds-Schools	4,434,602,253	4.3738	4.3738	193,960,633	D	
	Debt Service	4,434,602,253	0.8990	0.6211	27,543,315		
City of St. Louis	General Revenue	4,358,913,873	0.3378	0.3378	14,724,411		
	Parks & Recreation	4,358,913,873	0.0194	0.0194	845,629		
	Health	4,358,913,873	0.0194	0.0194	845,629		
	Hospital	4,358,913,873	0.0966	0.0966	4,210,711		
	Developmental Dis. Board	4,900,321,944	0.1341	0.1341	6,571,332		
	Mental Health	4,541,761,993	0.0870	0.0870	3,951,333		
	Senior Services	4,541,761,993	0.0487	0.0487	2,211,838		
	Community Child Service	4,541,761,993	0.1838	0.1838	8,347,759		
	General Revenue 1	4,541,761,993	0.1548	0.1548	7,030,648		
	General Revenue 2	4,358,913,873	0.8108	0.8108	35,342,074		
	Debt Service	4,358,913,873	0.1409	0.1409	6,141,710		
				Total Revenue	$ 6,181,262,186		

LEGEND:

A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
B A voter approved increase or decrease to an existing levy.
C Levy includes a recoupment rate authorized by state law.
D School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.
E School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect $2.7500 or the amount stated on the ballot.
F Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was $4.96). The rate so established may be changed from year to year by the School Board.

NOTES:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

Appendix VII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VIII for a listing of taxing authorities that calculated separate tax rates for each subclass of property.

All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

The Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue amount shown is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

ACRONYMS:

AD	Ambulance District
CID	Community Improvement District
EMS	Emergency Medical Services
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
SBD	Special Business District
SD	School District
SRD	Special Road District
TDD	Transportation Development District
TWSP	Township
WSD	Watershed Subdistrict

Appendix VIII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate				Personal Property			Revenue	Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		
Clay																
City of Gladstone	General Revenue	269,404,390	0.8650	0.8650	33,970	0.9290	0.9290	68,923,178	0.8670	0.8670		60,541,991	0.9290	0.9290	3,490,663	
St. Louis																
City of Bellefontaine Neighbors	General Revenue	52,307,870	0.2260	0.2260	26,200	0.0000	0.0000	13,250,657	0.2460	0.2460		13,585,676	0.2350	0.2350	182,739	
	Debt Service	52,307,870	1.2399	1.2399	26,200	1.2399	1.2399	13,250,657	1.2399	1.2399		13,585,676	1.2399	1.2399	981,634	
City of Bellerive Acres	General Revenue	3,746,750	0.6220	0.6220	0	0.0000	0.0000	648,383	0.3010	0.3010		1,018,843	0.7900	0.7900	33,306	
City of Bel Nor	General Revenue	17,252,510	0.3920	0.3920	0	0.0000	0.0000	1,133,032	0.1950	0.1950		2,774,305	0.5530	0.5530	85,181	
	Debt Service	17,252,510	0.5250	0.5250	0	0.5250	0.5250	1,133,032	0.5250	0.5250		2,774,305	0.5250	0.5250	111,089	
City of Bel Ridge	General Revenue	8,556,400	0.3500	0.3500	0	0.0000	0.0000	18,763,632	0.5700	0.5700		4,269,012	0.0000	0.0000	136,900	
City of Berkeley	General Revenue	36,552,990	0.9460	0.9460	15,290	1.0000	1.0000	113,759,610	0.9930	0.9930		47,329,170	0.9200	0.9200	1,911,005	
	Pension	36,552,990	0.3060	0.3060	15,290	0.3310	0.3310	113,759,610	0.3310	0.3310		47,329,170	0.3460	0.3460	652,206	
	Debt Service	36,552,990	0.1440	0.1440	15,290	0.1440	0.1440	113,759,610	0.1440	0.1440		47,329,170	0.1440	0.1440	284,626	
City of Beverly Hills	General Revenue	2,174,970	0.2210	0.2210	0	0.0000	0.0000	1,386,797	0.2250	0.2250		658,135	0.2320	0.2320	9,454	
City of Black Jack	Debt Service	59,495,240	0.4690	0.4670	7,630	0.4690	0.4670	3,019,510	0.4690	0.4670		12,718,592	0.4690	0.4670	351,376	
City of Breckenridge Hills	General Revenue	22,957,900	0.2020	0.2020	0	0.0000	0.0000	10,398,514	0.1900	0.1900		4,751,320	0.0000	0.0000	66,132	
City of Brentwood	General Revenue	180,014,980	0.0000	0.0000	0	0.0000	0.0000	124,735,645	0.1950	0.1940		35,474,911	0.2070	0.2070	315,420	
	Library	180,014,980	0.2510	0.2510	0	0.0000	0.0000	124,735,645	0.2830	0.2830		35,474,911	0.3090	0.3090	914,457	
	Pension	180,014,980	0.3040	0.3040	0	0.0000	0.0000	124,735,645	0.3740	0.3740		35,474,911	0.3850	0.3850	1,150,335	
City of Bridgeton	General Revenue	123,487,070	0.1390	0.1390	192,780	0.0000	0.0000	284,466,425	0.2370	0.2370		97,286,904	0.0000	0.0000	845,832	
City of Calverton Park	General Revenue	8,256,131	0.3480	0.3480	0	0.0000	0.0000	131,500	0.4220	0.4220		1,467,327	0.2980	0.2980	33,659	
City of Charlack	General Revenue	7,673,260	0.2040	0.2040	0	0.0000	0.0000	3,075,152	0.2110	0.2110		2,575,599	0.2570	0.2570	28,761	
City of Clarkson Valley	General Revenue	106,603,960	0.1170	0.1170	14,330	0.0560	0.0560	12,906,540	0.1240	0.1240		14,061,237	0.1530	0.1530	162,253	
City of Clayton	General Revenue	642,994,970	0.5150	0.5150	0	0.0000	0.0000	444,375,174	0.6030	0.6240	c	83,062,200	0.7070	0.7070	6,671,575	
	Police	642,994,970	0.1010	0.1010	0	0.0000	0.0000	444,375,174	0.1060	0.1060		83,062,200	0.1220	0.1220	1,221,799	2033
	Debt Service	642,994,970	0.0720	0.0720	0	0.0720	0.0720	444,375,174	0.0720	0.0720		83,062,200	0.0720	0.0720	842,711	
City of Cool Valley	General Revenue	6,018,530	0.3500	0.3500	0	0.0000	0.0000	12,004,003	0.3490	0.3490		2,022,409	0.1650	0.1650	66,296	
City of Country Club Hills	General Revenue	3,277,710	1.0000	1.0000	0	0.0000	0.0000	1,533,317	0.9300	0.9300		962,293	0.7150	0.7150	53,917	
	Parks & Recreation	3,277,710	0.4000	0.4000	0	0.0000	0.0000	1,533,317	0.4000	0.4000		962,293	0.3300	0.3300	22,420	
	Health	3,277,710	0.2000	0.2000	0	0.0000	0.0000	1,533,317	0.2000	0.2000		962,293	0.1880	0.1880	11,431	
Village of Country Life Acres	General Revenue	7,684,070	0.3500	0.3500	1,090	0.0000	0.0000	98,108	0.3450	0.3450		611,857	0.4200	0.4200	29,802	
City of Crestwood	General Revenue	223,254,100	0.5980	0.5980	0	0.0000	0.0000	68,442,898	0.8210	0.8210		35,571,807	0.7430	0.7430	2,161,275	
City of Creve Coeur	General Revenue	596,935,060	0.0750	0.0750	8,620	0.0230	0.0230	395,713,338	0.0770	0.0770		0	0.0000	0.0000	752,402	
	Debt Service	596,935,060	0.1060	0.0820	8,620	0.1060	0.0820	395,713,338	0.1060	0.0820		153,965,469	0.1060	0.0820	940,231	
City of Crystal Lake Park	General Revenue	18,156,970	0.5900	0.5900	0	0.0000	0.0000	232,479	0.2290	0.2290		1,384,226	0.8080	0.8080	118,843	
City of Dellwood	General Revenue	22,932,940	0.2720	0.2720	0	0.0000	0.0000	7,349,223	0.2780	0.2780		7,065,633	0.2350	0.2350	99,413	
	Debt Service	22,932,940	2.5817	1.4666	0	2.5817	1.4666	7,349,223	2.5817	1.4666		7,065,633	2.5817	1.4666	547,743	
City of Des Peres	General Revenue	296,028,410	0.0000	0.0000	81,660	0.0000	0.0000	158,853,996	0.0000	0.0000		45,263,441	0.0000	0.0000	0	
	Debt Service	296,028,410	0.2060	0.0000	81,660	0.2060	0.0000	158,853,996	0.2060	0.0000		45,263,441	0.2060	0.0000	0	
City of Edmundson	General Revenue	4,297,320	0.0000	0.0000	0	0.0000	0.0000	23,104,200	0.6290	0.6290		17,220,254	0.0000	0.0000	145,325	
City of Ellisville	General Revenue	193,467,300	0.1300	0.1300	2,330	0.0000	0.0000	110,279,466	0.1360	0.1360		34,351,718	0.0000	0.0000	401,487	
City of Eureka	General Revenue	181,023,490	0.3330	0.3330	130,560	0.3600	0.3600	63,526,238	0.3740	0.3740		41,146,058	0.3870	0.3870	1,000,101	
City of Ferguson	General Revenue	113,275,190	0.7230	0.7230	15,360	0.4430	0.4430	46,433,830	0.7630	0.7630		32,413,750	0.8240	0.8240	1,440,427	
	Parks & Recreation	113,275,190	0.1730	0.1730	15,360	0.1190	0.1190	46,433,830	0.1870	0.1870		32,413,750	0.1980	0.1980	346,994	
	Debt Service	113,275,190	0.2760	0.2760	15,360	0.2760	0.2760	46,433,830	0.2760	0.2760		32,413,750	0.2760	0.2760	530,301	

Appendix VIII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property				Expiration
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Flordell Hills	General Revenue	2,256,250	0.9500	0.9500	0	0.0000	0.0000	1,012,210	1.0000	1.0000	521,237	0.0000	0.0000	31,556	
City of Florissant	General Revenue	390,387,520	0.0000	0.0000	39,180	0.0000	0.0000	155,804,614	0.0000	0.0000	85,276,400	0.0000	0.0000	0	
City of Frontenac	General Revenue	226,647,260	0.4350	0.4350	0	0.0000	0.0000	67,829,599	0.3520	0.3520	19,928,845	0.5530	0.5530	1,334,883	
Village of Glen Echo Park	General Revenue	1,394,950	0.3150	0.3150	0	0.0000	0.0000	48,401	0.0790	0.0790	216,405	0.5000	0.5000	5,514	
City of Glendale	General Revenue	177,767,800	0.3450	0.3450	0	0.0000	0.0000	7,792,593	0.3540	0.3540	16,650,139	0.5190	0.5190	727,299	
	Pension	177,767,800	0.0660	0.0660	0	0.0000	0.0000	7,792,593	0.0710	0.0710	16,650,139	0.1000	0.1000	139,510	
	Debt Service	177,767,800	0.2620	0.2620	0	0.2620	0.2620	7,792,593	0.2620	0.2620	16,650,139	0.2620	0.2620	529,792	
Town of Grantwood Village	General Revenue	25,081,910	0.1990	0.1990	133,790	0.1760	0.1760	1,196,439	0.2170	0.2170	2,604,808	0.2610	0.2610	59,543	
City of Greendale	General Revenue	5,905,030	0.4590	0.4590	0	0.0000	0.0000	363,240	0.5620	0.5620	1,071,692	0.0000	0.0000	29,145	
Village of Hanley Hills	General Revenue	8,587,200	0.4520	0.4520	0	0.0000	0.0000	995,173	0.4340	0.4340	1,872,046	0.4500	0.4500	51,557	
City of Hazelwood	General Revenue	195,848,740	0.7000	0.7000	276,740	0.6360	0.6360	223,262,111	0.7370	0.7370	113,317,450	0.7540	0.7540	3,872,557	
	Debt Service	195,848,740	0.3480	0.2220	276,740	0.3480	0.2220	223,262,111	0.3480	0.2220	113,317,450	0.3480	0.2220	1,182,605	
Village of Hillsdale	General Revenue	4,328,550	0.3910	0.3910	0	0.0000	0.0000	3,305,505	0.4040	0.4040	2,101,873	0.5000	0.5000	40,788	
City of Huntleigh	General Revenue	51,553,550	0.1600	0.1000	13,000	0.1310	0.1310	545,483	0.2120	0.2120	3,091,185	0.1900	0.1900	58,600	
City of Jennings	General Revenue	53,121,960	0.9410	0.9410	0	0.0000	0.0000	23,014,905	0.9240	0.9240	14,149,752	1.0000	1.0000	854,034	
	Pension	53,121,960	0.3560	0.3560	0	0.0000	0.0000	23,014,905	0.3480	0.3480	14,149,752	0.3720	0.3720	321,843	
City of Kinloch	General Revenue	1,581,270	1.0000	1.0000	0	0.0000	0.0000	1,129,550	0.4570	0.4570	5,366,355	1.0000	1.0000	74,639	
City of Kirkwood	General Revenue	749,568,690	0.2390	0.2390	0	0.0000	0.0000	139,507,073	0.2550	0.2550	83,656,640	0.2580	0.2580	2,363,046	
	Parks & Recreation	749,568,690	0.1070	0.1070	0	0.0000	0.0000	139,507,073	0.1140	0.1140	83,656,640	0.1190	0.1190	1,060,627	
	Library	742,619,370	0.1520	0.1520	0	0.0000	0.0000	121,524,230	0.1840	0.1840	81,927,039	0.2350	0.2350	1,544,915	
	Pension	749,568,690	0.1170	0.1170	0	0.0000	0.0000	139,507,073	0.1410	0.1410	83,656,640	0.1800	0.1800	1,224,282	
	Library-Temp	742,619,370	0.0930	0.0930	0	0.0000	0.0000	121,524,230	0.1000	0.1000	81,927,039	0.1200	0.1200	910,472	2032
	Debt Service	749,568,690	0.0000	0.0000	0	0.0000	0.0000	139,507,073	0.0000	0.0000	83,656,640	0.0000	0.0000	0	
City of Ladue	General Revenue	690,888,120	0.6170	0.6170	2,080	0.0000	0.0000	59,110,961	0.5660	0.5660	53,918,353	0.7560	0.7560	5,004,971	
City of Lakeshire	General Revenue	16,574,010	0.3240	0.3240	0	0.0000	0.0000	306,889	0.3750	0.3750	0	0.0000	0.0000	54,851	
City of Manchester	General Revenue	312,394,380	0.0370	0.0370	0	0.0000	0.0000	58,692,950	0.0400	0.0370	43,983,179	0.0500	0.0500	159,294	
	Debt Service	312,394,380	0.2830	0.2800	0	0.2830	0.2800	58,692,950	0.2830	0.2800	43,983,179	0.2830	0.2800	1,162,197	
City of Maplewood	General Revenue	101,897,970	0.1520	0.1520	0	0.0000	0.0000	83,282,341	0.4590	0.4590	22,565,361	0.5670	0.5670	665,097	
	Solid Waste Landfill	101,897,970	0.2150	0.2150	0	0.0000	0.0000	83,282,341	0.2590	0.2590	22,565,361	0.3250	0.3250	508,119	
	Pension	101,897,970	0.3140	0.3140	0	0.0000	0.0000	83,282,341	0.3900	0.3900	22,565,361	0.4450	0.4450	745,177	
	Debt Service	101,897,970	0.3720	0.2800	0	0.3720	0.2800	83,282,341	0.3720	0.2800	22,565,361	0.3720	0.2800	581,688	
Village of Marlborough	General Revenue	18,284,930	0.0890	0.0890	0	0.0000	0.0000	9,866,543	0.1040	0.1040	4,088,259	0.1110	0.1110	31,073	
City of Moline Acres	General Revenue	9,359,810	0.8840	0.8840	0	0.0000	0.0000	2,582,008	0.9160	0.9160	2,342,198	1.0000	1.0000	129,814	
	Debt Service	9,359,810	2.8612	1.5500	0	2.8612	1.5500	2,582,008	2.8612	1.5500	2,342,198	2.8612	1.5500	221,402	
City of Normandy	General Revenue	17,719,250	0.3330	0.3330	0	0.0000	0.0000	7,946,556	0.2500	0.2500	4,635,584	0.4000	0.4000	97,413	
City of Northwoods	General Revenue	18,565,320	0.3820	0.3820	0	0.0000	0.0000	5,551,083	0.3020	0.3020	4,108,117	0.3470	0.3470	101,939	
	Debt Service	18,565,320	1.2859	1.2859	0	1.2859	1.2859	5,551,083	1.2859	1.2859	4,108,117	1.2859	1.2859	362,938	
Village of Norwood Court	General Revenue	2,818,060	0.3030	0.2800	0	0.0000	0.0000	277,520	0.2330	0.2330	762,450	0.3450	0.3450	11,168	
City of Oakland	General Revenue	32,511,760	0.1700	0.1700	0	0.0000	0.0000	2,790,063	0.2480	0.2480	3,432,570	0.2370	0.2370	70,324	
City of Olivette	General Revenue	206,462,400	0.5420	0.5420	0	0.0000	0.0000	58,110,496	0.7390	0.7390	32,192,632	0.7710	0.7710	1,796,668	
	Pension	206,462,400	0.1990	0.1990	0	0.0000	0.0000	58,110,496	0.2380	0.2380	32,192,632	0.2500	0.2500	629,645	
	Debt Service	206,462,400	0.4050	0.4050	0	0.4050	0.4050	58,110,496	0.4050	0.4050	32,192,632	0.4050	0.4050	1,201,901	
City of Overland	General Revenue	113,847,520	0.0590	0.0590	0	0.0000	0.0000	90,644,050	0.0740	0.0740	40,853,140	0.0970	0.0970	173,875	
	Pension	113,847,520	0.2060	0.2060	0	0.0000	0.0000	90,644,050	0.3340	0.3340	40,853,140	0.3670	0.3670	687,208	

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		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property				Expiration
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Pagedale	General Revenue	7,888,310	0.3500	0.3500	0	0.0000	0.0000	16,339,666	0.3150	0.3150	5,251,375	0.3500	0.3500	97,459	
City of Pasadena Hills	General Revenue	13,699,270	0.2400	0.2400	0	0.0000	0.0000	504,820	0.1120	0.1120	1,827,980	0.3100	0.3100	39,110	
	Debt Service	13,699,270	0.7570	0.7570	0	0.7570	0.7570	504,820	0.7570	0.7570	1,827,980	0.7570	0.7570	121,362	
Village of Pasadena Park	General Revenue	5,115,716	0.2620	0.2620	0	0.0000	0.0000	65,960	0.0000	0.0000	625,321	0.3090	0.3090	15,335	
City of Pine Lawn	General Revenue	8,805,340	0.2830	0.2830	0	0.0000	0.0000	4,614,281	0.2920	0.2920	2,610,324	0.2570	0.2570	45,102	
City of Richmond Heights	General Revenue	230,295,390	0.2450	0.2450	0	0.0000	0.0000	102,591,684	0.3230	0.2900	33,120,947	0.2890	0.2890	957,460	
	Pension	230,295,390	0.2760	0.2760	0	0.0000	0.0000	102,591,684	0.3570	0.3200	33,120,947	0.3180	0.3180	1,069,233	
Village of Riverview	General Revenue	9,700,180	0.4070	0.4070	0	0.0000	0.0000	2,247,306	0.4120	0.4120	2,400,308	0.3110	0.3110	56,204	
City of Rock Hill	General Revenue	87,331,370	0.2260	0.2260	0	0.0000	0.0000	29,321,889	0.2760	0.2760	13,513,270	0.3400	0.3400	324,242	
	Library	87,331,370	0.2270	0.2270	0	0.0000	0.0000	29,321,889	0.2900	0.2900	13,561,280	0.3550	0.3550	331,418	
	Debt Service	87,331,370	0.9450	0.6450	0	0.9450	0.6450	29,321,889	0.9450	0.6450	13,513,270	0.9450	0.6450	839,574	
City of St. Ann	General Revenue	90,190,130	0.8620	0.8620	0	0.0000	0.0000	31,143,669	0.9420	0.9420	25,021,310	1.0000	1.0000	1,321,025	
	Debt Service	90,190,130	0.3890	0.3890	0	0.3890	0.3890	31,143,669	0.3890	0.3890	25,021,310	0.3890	0.3890	569,322	
City of St. John	General Revenue	41,487,440	0.4210	0.4200	0	0.0000	0.0000	17,529,670	0.4860	0.4860	11,033,085	0.4500	0.4500	309,090	
City of Shrewsbury	General Revenue	87,685,470	0.4010	0.4010	0	0.0000	0.0000	37,139,219	0.4130	0.4130	21,533,662	0.5770	0.5770	629,253	
	Debt Service	87,685,470	0.4710	0.4710	0	0.4710	0.4710	37,139,219	0.4710	0.4710	21,533,662	0.4710	0.4710	689,349	
City of Sunset Hills	General Revenue	275,232,070	0.0470	0.0470	239,250	0.0300	0.0300	119,985,952	0.0480	0.0480	45,894,242	0.0600	0.0600	214,561	
Village of Sycamore Hills	General Revenue	5,094,160	0.2300	0.2300	0	0.0000	0.0000	588,213	0.2770	0.2770	963,965	0.2510	0.2510	15,766	
	Health	5,094,160	0.1070	0.1070	0	0.0000	0.0000	588,213	0.1320	0.1320	963,965	0.1170	0.1170	7,355	
City of Town and Country	General Revenue	562,444,830	0.0000	0.0000	71,270	0.0000	0.0000	234,109,606	0.0000	0.0000	86,349,516	0.0000	0.0000	0	
	Dispatch	562,444,830	0.0000	0.0000	71,270	0.0000	0.0000	234,109,606	0.0000	0.0000	86,349,516	0.0000	0.0000	0	
City of Twin Oaks	General Revenue	11,750,900	0.0000	0.0000	0	0.0000	0.0000	11,606,390	0.3400	0.3400	1,333,880	0.0000	0.0000	39,462	
City of University City	General Revenue	607,408,940	0.4710	0.4710	0	0.0000	0.0000	74,293,224	0.4870	0.4870	66,672,882	0.6800	0.6800	3,676,080	
	Library	607,408,940	0.3650	0.3650 B	0	0.0000	0.0000	74,293,224	0.3450	0.3450 B	67,185,842	0.4080	0.4080 B	2,747,473	
	Pension	607,408,940	0.1390	0.1390	0	0.0000	0.0000	74,293,224	0.1330	0.1330	66,672,882	0.1950	0.1950	1,073,120	
Village of Uplands Park	General Revenue	1,563,230	0.4500	0.4500	0	0.0000	0.0000	430,672	0.2230	0.2230	402,432	0.3910	0.3910	9,569	
City of Valley Park	General Revenue	91,633,470	0.4100	0.4100	69,730	0.0000	0.0000	47,693,608	0.5670	0.5670	20,768,378	0.5700	0.5700	764,500	
City of Velda City	General Revenue	4,270,550	0.4380	0.4380	0	0.0000	0.0000	1,371,639	0.5000	0.5000	1,157,085	0.3800	0.3800	29,960	
	Debt Service	4,270,550	2.1100	2.1100	0	2.1100	2.1100	1,371,639	2.1100	2.1100	1,157,085	2.1100	2.1100	143,465	
City of Velda Village Hills	General Revenue	3,311,700	0.4380	0.4380	0	0.0000	0.0000	579,427	0.5000	0.5000	884,282	0.3780	0.3780	20,745	
City of Vinita Park	General Revenue	10,112,840	0.2340	0.2340	0	0.0000	0.0000	30,847,730	0.2610	0.2610	8,390,050	0.2300	0.2300	123,474	
City of Warson Woods	General Revenue	68,448,380	0.2910	0.2910	0	0.0000	0.0000	9,154,544	0.3600	0.3600	6,774,894	0.0000	0.0000	232,141	
City of Webster Groves	General Revenue	542,381,450	0.1850	0.1850	0	0.0000	0.0000	76,271,299	0.1810	0.1810	60,618,222	0.2800	0.2800	1,311,188	
	Library	542,381,450	0.1190	0.1190	0	0.0000	0.0000	76,271,299	0.1150	0.1150	60,717,132	0.1800	0.1800	842,437	
	Streets	542,381,450	0.1200	0.1200	0	0.0000	0.0000	76,271,299	0.1170	0.1170	60,618,222	0.1810	0.1810	849,814	
	Pension	542,381,450	0.1710	0.1710	0	0.0000	0.0000	76,271,299	0.1850	0.1850	60,618,222	0.2000	0.2000	1,189,810	
	Library-Temp	542,381,450	0.1050	0.1050	0	0.0000	0.0000	76,271,299	0.1070	0.1070	60,717,132	0.1350	0.1350	733,079	2028
	Debt Service	542,381,450	0.2740	0.2410	0	0.2740	0.2410	76,271,299	0.2740	0.2410	60,618,222	0.2740	0.2410	1,637,043	
City of Wellston	General Revenue	4,333,380	0.5240	0.5240	0	0.0000	0.0000	8,265,860	0.4910	0.4910	2,858,611	0.6000	0.6000	80,444	
Village of Westwood	General Revenue	22,603,940	0.0510	0.0510	0	0.0000	0.0000	278,244	0.0890	0.0890	0	0.0000	0.0000	11,776	
City of Winchester	General Revenue	17,513,460	0.1770	0.1770	0	0.0000	0.0000	3,895,281	0.1460	0.1460	2,697,487	0.2610	0.2610	43,726	
City of Woodson Terrace	General Revenue	22,127,210	0.3500	0.3500	0	0.0000	0.0000	24,419,187	0.3340	0.3340	43,741,841	0.2510	0.2510	268,797	
Ferguson Municipal Library District	General Revenue	113,275,900	0.3570	0.3570	15,360	0.1070	0.1070	52,328,462	0.3840	0.3840	34,879,942	0.4080	0.4080	747,662	
Maplewood Public Library District	General Revenue	101,545,140	0.2180	0.2180	0	0.0000	0.0000	73,507,336	0.2820	0.2820	27,722,629	0.3020	0.3020	512,381	

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Maplewood Public Library District	Debt Service	101,545,140	0.1250	0.1250		0	0.1250	0.1250		73,507,336	0.1250	0.1250		27,722,629	0.1250	0.1250		253,468	
Richmond Heights Memorial PLD	General Revenue	230,295,390	0.1880	0.1880		0	0.0000	0.0000		102,591,684	0.2500	0.2500		33,120,947	0.2110	0.2110		759,319	
St. Louis County Library District	General Revenue	14,115,195,600	0.2120	0.2120		6,285,400	0.2190	0.2190		6,125,279,313	0.2430	0.2430		3,338,040,934	0.2250	0.2250		52,333,001	
Valley Park Community PLD	General Revenue	37,669,613	0.1310	0.1310		240	0.1700	0.1700		16,147,140	0.1030	0.1030		10,703,653	0.1700	0.1700		84,175	
Affton FPD	General Revenue	447,068,460	1.0911	1.0911		0	0.0000	0.0000		73,813,629	1.2313	1.2313		75,593,680	1.3719	1.3719		6,823,901	
	Ambulance	447,068,460	0.1140	0.1140		0	0.0000	0.0000		73,813,629	0.1250	0.1250		75,593,680	0.1400	0.1400		707,756	
	Pension	447,068,460	0.0510	0.0510		0	0.0000	0.0000		73,813,629	0.0570	0.0570		75,593,680	0.0640	0.0640		318,459	
	Dispatch	447,068,460	0.0220	0.0220		0	0.0000	0.0000		73,813,629	0.0200	0.0200		75,593,680	0.0270	0.0270		133,528	
Metro West FPD	General Revenue	1,671,264,110	0.4250	0.4250		824,650	0.5240	0.5240		267,289,024	0.4920	0.4920		233,947,231	0.5610	0.5610		9,734,699	
	Ambulance	1,671,264,110	0.3860	0.3860		824,650	0.4160	0.4160		267,289,024	0.4280	0.4280		233,947,231	0.4700	0.4700		8,698,059	
	Pension	1,671,264,110	0.0810	0.0810		824,650	0.0990	0.0990		267,289,024	0.0920	0.0920		233,947,231	0.1060	0.1060		1,848,430	
	Dispatch	1,671,264,110	0.0380	0.0380		824,650	0.0430	0.0430		267,289,024	0.0410	0.0410		233,947,231	0.0480	0.0480		857,318	
	Debt Service	1,671,264,110	0.1140	0.1140		824,650	0.1140	0.1140		267,289,024	0.1140	0.1140		233,947,231	0.1140	0.1140		2,477,590	
Black Jack FPD	General Revenue	458,199,680	0.8650	0.8650		206,000	0.6970	0.6970		65,001,475	0.9480	0.9480		83,248,210	1.0000	1.0000		5,413,559	
	Pension	458,199,680	0.2160	0.2160		206,000	0.2050	0.2050		65,001,475	0.2340	0.2340		83,248,210	0.2500	0.2500		1,350,357	
	Emergency Medical Service	458,199,680	0.3460	0.3460		206,000	0.2480	0.2480		65,001,475	0.3760	0.3760		83,248,210	0.4000	0.4000		2,163,281	
	NCCFA System	458,199,680	0.0430	0.0430		206,000	0.0490	0.0490		65,001,475	0.0470	0.0470		83,248,210	0.0500	0.0500		269,302	
	Debt Service	458,199,680	0.1360	0.1360		206,000	0.1360	0.1360		65,001,475	0.1360	0.1360		83,248,210	0.1360	0.1360		825,052	
Monarch FPD	General Revenue	1,722,594,436	0.4430	0.4430		1,251,040	0.4510	0.4510		649,756,690	0.4810	0.4810		317,672,153	0.5300	0.5300		12,445,727	
	Ambulance	1,722,594,436	0.2680	0.2680		1,251,040	0.2810	0.2810		649,756,690	0.3000	0.3000		317,672,153	0.3300	0.3300		7,617,656	
	Pension	1,722,594,436	0.0820	0.0820		1,251,040	0.0850	0.0850		649,756,690	0.0910	0.0910		317,672,153	0.1000	0.1000		2,322,541	
	Dispatch	1,722,594,436	0.0430	0.0430		1,251,040	0.0420	0.0420		649,756,690	0.0440	0.0440		317,672,153	0.0480	0.0480		1,179,617	
Community FPD	General Revenue	284,290,490	1.3001	1.3001		0	0.0000	0.0000		202,513,327	1.4037	1.4037		146,580,446	1.5000	1.5000		8,737,448	
	Ambulance	284,290,490	0.4190	0.4190		0	0.0000	0.0000		202,513,327	0.4600	0.4600		146,580,446	0.5000	0.5000		2,855,640	
	Pension	284,290,490	0.2090	0.2090		0	0.0000	0.0000		202,513,327	0.2300	0.2300		146,580,446	0.2500	0.2500		1,426,399	
	Dispatch	284,290,490	0.0250	0.0250		0	0.0000	0.0000		202,513,327	0.0280	0.0280		146,580,446	0.0300	0.0300		171,751	
	Debt Service	284,290,490	0.2210	0.2210		0	0.2210	0.2210		202,513,327	0.2210	0.2210		146,580,446	0.2210	0.2210		1,399,779	
Creve Coeur FPD	General Revenue	873,806,700	0.4440	0.4440		40	0.0000	0.0000		510,117,483	0.4850	0.4850		224,445,080	0.5400	0.5400		7,565,775	
	Ambulance	873,806,700	0.3450	0.3450		40	0.0000	0.0000		510,117,483	0.3780	0.3780		224,445,080	0.4200	0.4200		5,885,546	
	Pension	873,806,700	0.1190	0.1190		40	0.0000	0.0000		510,117,483	0.1360	0.1360		224,445,080	0.1500	0.1500		2,070,258	
	Dispatch	873,806,700	0.0400	0.0400		40	0.0000	0.0000		510,117,483	0.0450	0.0450		224,445,080	0.0500	0.0500		691,299	
	Debt Service	873,806,700	0.1110	0.0520		40	0.1110	0.0520		510,117,483	0.1110	0.0520		224,445,080	0.1110	0.0520		836,351	
Fenton FPD	General Revenue	557,745,110	0.8900	0.8900		161,040	0.9030	0.9030		399,339,222	0.8640	0.8640		161,400,357	0.9100	0.9100		9,884,419	
	Ambulance	557,745,110	0.2520	0.2520		161,040	0.2420	0.2420		399,339,222	0.2660	0.2660		161,400,357	0.3000	0.3000		2,952,351	
	Pension	557,745,110	0.0840	0.0840		161,040	0.0800	0.0800		399,339,222	0.0890	0.0890		161,400,357	0.1000	0.1000		985,447	
	Dispatch	557,745,110	0.0420	0.0420		161,040	0.0410	0.0410		399,339,222	0.0440	0.0440		161,400,357	0.0500	0.0500		490,728	
	Debt Service	557,745,110	0.2380	0.1750		161,040	0.2380	0.1750		399,339,222	0.2380	0.1750		161,400,357	0.2380	0.1750		1,957,631	
Florissant Valley FPD	General Revenue	564,332,240	0.9270	0.9270		210,710	1.0322	1.0322		177,987,995	0.9520	0.9520		116,884,292	1.0767	1.0767		8,186,474	
	Ambulance	564,332,240	0.3770	0.3770		210,710	0.3140	0.3140		177,987,995	0.3880	0.3880		116,884,292	0.4400	0.4400		3,333,079	
	Pension	564,332,240	0.0850	0.0850		210,710	0.0970	0.0970		177,987,995	0.0900	0.0900		116,884,292	0.1000	0.1000		756,959	
	Dispatch	564,332,240	0.0260	0.0260		210,710	0.0290	0.0290		177,987,995	0.0270	0.0270		116,884,292	0.0300	0.0300		229,909	
	Debt Service	564,332,240	0.2480	0.1982		210,710	0.2480	0.1982		177,987,995	0.2480	0.1982		116,884,292	0.2480	0.1982		1,703,361	
Kinloch FPD	General Revenue	1,200,920	0.5000	0.5000	B	0	0.5000	0.5000	B	1,885,156	1.4000	1.4000	B	5,540,049	1.4908	1.4908	B	114,988	
	Dispatch	1,200,920	0.0000	0.0000	B	0	0.0000	0.0000	B	1,885,156	0.0000	0.0000	B	5,540,049	0.0000	0.0000	B	0	

Appendix VIII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

		Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property					
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Revenue	Expiration Year
Kinloch FPD	Ambulance	1,200,920	0.4000	0.4000	A	0	0.4000	0.4000	A	1,885,156	0.4000	0.4000	A	5,540,049	0.4000	0.4000	A	34,505	
	Debt Service	1,200,920	0.7690	0.7690		0	0.7690	0.7690		1,885,156	0.7690	0.7690		5,540,049	0.7690	0.7690		66,335	
Lemay FPD	General Revenue	155,476,550	0.7800	0.7800		2,690	0.0000	0.0000		115,012,848	0.9650	0.9650		41,971,075	0.9900	0.9900		2,738,105	
	Ambulance	155,476,550	0.1690	0.1690		2,690	0.0000	0.0000		115,012,848	0.2310	0.2310		41,971,075	0.2050	0.2050		614,476	
	Pension	155,476,550	0.0790	0.0790		2,690	0.0000	0.0000		115,012,848	0.0970	0.0970		41,971,075	0.1000	0.1000		276,359	
	Central Alarm Fund	155,476,550	0.0400	0.0400		2,690	0.0000	0.0000		115,012,848	0.0490	0.0490		41,971,075	0.0480	0.0480		138,693	
West County EMS & FPD	General Revenue	666,434,280	0.6100	0.6100		242,320	0.7300	0.7300		163,298,869	0.6910	0.6910		104,631,628	0.7450	0.7450		5,974,919	
	Ambulance	666,434,280	0.1460	0.1460		242,320	0.1930	0.1930		163,298,869	0.1690	0.1690		104,631,628	0.1940	0.1940		1,452,422	
	Pension	666,434,280	0.0730	0.0730		242,320	0.0970	0.0970		163,298,869	0.0850	0.0850		104,631,628	0.0970	0.0970		727,029	
	Dispatch	666,434,280	0.0380	0.0380		242,320	0.0450	0.0450		163,298,869	0.0390	0.0390		104,631,628	0.0490	0.0490		368,310	
	Debt Service	666,434,280	0.2680	0.2400		242,320	0.2680	0.2400		163,298,869	0.2680	0.2400		104,631,628	0.2680	0.2400		2,243,057	
Maryland Heights FPD	General Revenue	269,947,100	0.7210	0.7210		8,670	0.2880	0.2880		322,744,711	0.7490	0.7490		160,536,654	0.8000	0.8000		5,647,995	
	Ambulance	269,947,100	0.3030	0.3030		8,670	0.0000	0.0000		322,744,711	0.3370	0.3370		160,536,654	0.3680	0.3680		2,496,365	
	Pension	269,947,100	0.1170	0.1170		8,670	0.0460	0.0460		322,744,711	0.1220	0.1220		160,536,654	0.1300	0.1300		918,289	
	Dispatch	269,947,100	0.0450	0.0450		8,670	0.0350	0.0350		322,744,711	0.0470	0.0470		160,536,654	0.0500	0.0500		353,437	
	Debt Service	269,947,100	0.2020	0.1540		8,670	0.2020	0.1540		322,744,711	0.2020	0.1540		160,536,654	0.2020	0.1540		1,159,985	
Mehlville FPD	General Revenue	1,922,596,340	0.5270	0.5270		581,650	0.7000	0.7000		535,787,444	0.6790	0.6790		340,718,624	0.8120	0.8120		16,540,787	
	Pension	1,922,596,340	0.0290	0.0290		581,650	0.0450	0.0450		535,787,444	0.0320	0.0320		340,718,624	0.0560	0.0560		920,069	
Metro North FPD	General Revenue	70,910,790	1.8566	1.8566		0	0.0000	0.0000		20,047,067	1.8746	1.8746		17,528,339	2.0000	2.0000		2,042,899	
	Pension	70,910,790	0.2310	0.2310		0	0.0000	0.0000		20,047,067	0.2270	0.2270		17,528,339	0.2490	0.2490		252,957	
	Dispatch	70,910,790	0.0460	0.0460		0	0.0000	0.0000		20,047,067	0.0470	0.0470		17,528,339	0.0500	0.0500		50,805	
	Emergency Medical Service	70,910,790	0.3710	0.3710		0	0.0000	0.0000		20,047,067	0.3470	0.3470		17,528,339	0.4000	0.4000		402,755	
	Debt Service	70,910,790	0.9130	0.4580		0	0.9130	0.4580		20,047,067	0.9130	0.4580		17,528,339	0.9130	0.4580		496,867	
Northeast Ambulance & FPD	General Revenue	126,936,400	1.3253	1.3253		11,570	1.5078	1.5078		58,316,939	1.1441	1.1441		39,749,834	1.5000	1.5000		2,945,914	
	Ambulance	126,936,400	0.2550	0.2550		11,570	0.2900	0.2900		58,316,939	0.2190	0.2190		39,749,834	0.2900	0.2900		566,711	
	Pension	126,936,400	0.0880	0.0880		11,570	0.1000	0.1000		58,316,939	0.0750	0.0750		39,749,834	0.1000	0.1000		195,204	
	Dispatch	126,936,400	0.0450	0.0450		11,570	0.0500	0.0500		58,316,939	0.0380	0.0380		39,749,834	0.0400	0.0400		95,187	
	Debt Service	126,936,400	0.3890	0.3890		11,570	0.3890	0.3890		58,316,939	0.3890	0.3890		39,749,834	0.3890	0.3890		875,308	
Pattonville FPD	General Revenue	148,817,270	1.0934	1.0934		987,790	0.5690	0.5690		500,129,294	1.1586	1.1586		174,281,547	1.2000	1.2000		9,518,666	
	Ambulance	148,817,270	0.6370	0.6370		987,790	0.3370	0.3370		500,129,294	0.6760	0.6760		174,281,547	0.7000	0.7000		5,552,140	
	Pension	148,817,270	0.1370	0.1370		987,790	0.1500	0.1500		500,129,294	0.1450	0.1450		174,281,547	0.1500	0.1500		1,191,971	
	Dispatch	148,817,270	0.0460	0.0460		987,790	0.0500	0.0500		500,129,294	0.0480	0.0480		174,281,547	0.0500	0.0500		396,153	
	Debt Service	148,817,270	0.1680	0.1680		987,790	0.1680	0.1680		500,129,294	0.1680	0.1680		174,281,547	0.1680	0.1680		1,384,682	
Riverview FPD	General Revenue	133,454,430	1.8296	1.8296		26,200	1.5149	1.5149		38,724,760	1.9095	1.9095		36,430,077	1.9837	1.9837		3,904,191	
	Pension	133,454,430	0.2290	0.2290		26,200	0.2480	0.2480		38,724,760	0.2400	0.2400		36,430,077	0.2500	0.2500		489,690	
	Dispatch	133,454,430	0.0460	0.0460		26,200	0.0000	0.0000		38,724,760	0.0480	0.0480		36,430,077	0.0500	0.0500		98,192	
	Emergency Medical Service	133,454,430	0.3660	0.3660		26,200	0.3970	0.3970		38,724,760	0.3840	0.3840		36,430,077	0.4000	0.4000		782,970	
	Debt Service	133,454,430	0.1280	0.1280		26,200	0.1280	0.1280		38,724,760	0.1280	0.1280		36,430,077	0.1280	0.1280		267,054	
Robertson FPD	General Revenue	40,057,280	1.2695	1.2695		350,290	1.4109	1.3900		202,675,222	1.3032	1.3032		122,284,081	1.3900	1.3900		4,854,408	
	Ambulance	40,057,280	0.6140	0.6140		350,290	0.5200	0.5200		202,675,222	0.6620	0.6620		122,284,081	0.7000	0.7000		2,445,473	
	Pension	40,057,280	0.1830	0.1830		350,290	0.2000	0.2000		202,675,222	0.1880	0.1880		122,284,081	0.2000	0.2000		699,603	
	Dispatch	40,057,280	0.0460	0.0460		350,290	0.0500	0.0500		202,675,222	0.0470	0.0470		122,284,081	0.0500	0.0500		175,000	
	Debt Service	40,057,280	0.2910	0.2910		350,290	0.2910	0.2910		202,675,222	0.2910	0.2910		122,284,081	0.2910	0.2910		1,063,218	
Spanish Lake FPD	General Revenue	112,629,430	1.7617	1.7617		201,920	1.0353	1.0353		26,741,795	2.0218	2.0000		24,922,395	2.0000	2.0000		3,019,567	

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		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property				
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Spanish Lake FPD	Pension	112,629,430	0.1330	0.1330	201,920	0.1280	0.1280	26,741,795	0.1500	0.1500	24,922,395	0.1500	0.1500	227,552	
	Dispatch	112,629,430	0.0440	0.0440	201,920	0.0420	0.0420	26,741,795	0.0500	0.0500	24,922,395	0.0500	0.0500	75,474	
	Debt Service	112,629,430	0.3140	0.1640	201,920	0.3140	0.1640	26,741,795	0.3140	0.1640	24,922,395	0.3140	0.1640	269,773	
Valley Park FPD	General Revenue	195,521,400	1.2060	1.0060 B	114,960	1.4544	1.3300 B	76,279,601	1.2350	1.2350 B	46,360,076	1.3948	1.3300 B	3,527,116	
	Ambulance	195,521,400	0.2370	0.2370	114,960	0.3000	0.3000	76,279,601	0.2320	0.2320	46,360,076	0.3000	0.3000	779,780	
	Pension	195,521,400	0.0800	0.0800	114,960	0.1000	0.1000	76,279,601	0.0770	0.0770	46,360,076	0.1000	0.1000	261,627	
	Dispatch	195,521,400	0.0250	0.0250	114,960	0.0300	0.0300	76,279,601	0.0210	0.0210	46,360,076	0.0300	0.0300	78,841	
	Debt Service	195,521,400	0.4490	0.2500	114,960	0.4490	0.2500	76,279,601	0.4490	0.2500	46,360,076	0.4490	0.2500	795,690	
Mid-County FPD St. Louis County	General Revenue	40,931,190	1.8110	1.8110	0	0.0000	0.0000	61,542,485	1.7993	1.7993	32,175,430	2.0000	2.0000	2,492,107	
	Ambulance	40,931,190	0.4970	0.4970	0	0.0000	0.0000	61,542,485	0.4950	0.4950	32,175,430	0.5470	0.5470	684,063	
	Pension	40,931,190	0.2270	0.2270	0	0.0000	0.0000	61,542,485	0.2250	0.2250	32,175,430	0.2500	0.2500	311,824	
	Dispatch	40,931,190	0.0270	0.0270	0	0.0000	0.0000	61,542,485	0.0270	0.0270	32,175,430	0.0300	0.0300	37,320	
	Debt Service	40,931,190	0.2390	0.2390	0	0.2390	0.2390	61,542,485	0.2390	0.2390	32,175,430	0.2390	0.2390	321,812	
West Overland EMS & FPD	General Revenue	60,751,210	0.8190	0.8190	0	0.0000	0.0000	75,670,998	0.9410	0.9410	32,196,799	1.0070	1.0070	1,533,838	
	Ambulance	60,751,210	0.5580	0.5580	0	0.0000	0.0000	75,670,998	0.6080	0.6080	32,196,799	0.6500	0.6500	1,008,351	
	Pension	60,751,210	0.2400	0.2400	0	0.0000	0.0000	75,670,998	0.2800	0.2800	32,196,799	0.3000	0.3000	454,272	
	Dispatch	60,751,210	0.0430	0.0430	0	0.0000	0.0000	75,670,998	0.0470	0.0470	32,196,799	0.0500	0.0500	77,786	
	Debt Service	60,751,210	0.1530	0.1530	0	0.1530	0.1530	75,670,998	0.1530	0.1530	32,196,799	0.1530	0.1530	257,987	
Black Creek Sewer District	General Revenue	1,047,078,620	0.0000	0.0000	0	0.0000	0.0000	734,301,905	0.0000	0.0000	155,927,757	0.0000	0.0000	0	
Clayton Central Sewer District	General Revenue	104,500,140	0.0000	0.0000	0	0.0000	0.0000	396,541,860	0.0000	0.0000	41,428,546	0.0000	0.0000	0	
Coldwater Creek Sewer District	General Revenue	1,049,043,710	0.0000	0.0000	35,470	0.0000	0.0000	657,092,077	0.0000	0.0000	494,677,254	0.0000	0.0000	0	
Creve Coeur-Frontenac SwrD	General Revenue	432,652,530	0.0000	0.0000	0	0.0000	0.0000	225,294,118	0.0000	0.0000	64,341,929	0.0000	0.0000	0	
Deer Creek Sewer District	General Revenue	3,424,266,900	0.0000	0.0000	91,660	0.0000	0.0000	1,330,397,423	0.0000	0.0000	467,182,169	0.0000	0.0000	0	
Gravois Creek Sewer District	General Revenue	1,291,025,920	0.0000	0.0000	405,160	0.0000	0.0000	526,800,669	0.0000	0.0000	248,618,955	0.0000	0.0000	0	
Loretta-Joplin Sewer District	General Revenue	28,772,530	0.0000	0.0000	0	0.0000	0.0000	2,765,032	0.0000	0.0000	4,476,998	0.0000	0.0000	0	
Maline Creek Sewer District	General Revenue	367,587,510	0.0000	0.0000	169,780	0.0000	0.0000	246,519,635	0.0000	0.0000	128,192,833	0.0000	0.0000	0	
Meramec River Basin Sewer District	General Revenue	2,666,447,750	0.0000	0.0000	859,070	0.0000	0.0000	983,104,431	0.0000	0.0000	490,349,033	0.0000	0.0000	0	
Missouri River-Bonfils SwrD	General Revenue	151,127,570	0.0000	0.0000	98,240	0.0000	0.0000	589,060,442	0.0000	0.0000	235,470,328	0.0000	0.0000	0	
Seminary Branch RDP Sewer District	General Revenue	292,969,480	0.0000	0.0000	0	0.0000	0.0000	57,247,028	0.0000	0.0000	43,436,024	0.0000	0.0000	0	
Sugar Creek Sewer District	General Revenue	394,447,980	0.0000	0.0000	28,180	0.0000	0.0000	73,533,534	0.0000	0.0000	44,238,808	0.0000	0.0000	0	
University City Branch RDP SwrD	General Revenue	623,251,090	0.0000	0.0000	40	0.0000	0.0000	304,797,669	0.0000	0.0000	162,576,805	0.0000	0.0000	0	
Watkins Creek Sewer District	General Revenue	100,876,300	0.0000	0.0000	8,430	0.0000	0.0000	40,110,096	0.0000	0.0000	25,214,915	0.0000	0.0000	0	
Wellston Sewer District	General Revenue	13,624,940	0.0000	0.0000	0	0.0000	0.0000	15,722,977	0.0000	0.0000	7,804,783	0.0000	0.0000	0	
Hancock Street Light District	General Revenue	62,396,760	0.1150	0.1150	0	0.0000	0.0000	92,092,510	0.1970	0.1970	20,733,570	0.1700	0.1700	288,425	
Wheaton Cook Lyndhurst SLD	General Revenue	5,769,060	0.1530	0.1530	0	0.0000	0.0000	2,092,950	0.1610	0.1610	1,311,280	0.2000	0.2000	14,820	
Castle Point Street Light District	General Revenue	6,972,650	0.1750	0.1750	0	0.0000	0.0000	540,280	0.0940	0.0940	1,303,650	0.1850	0.1850	15,122	
Glasgow Village SLD	General Revenue	13,566,720	0.2000	0.2000	0	0.0000	0.0000	371,090	0.2200	0.2200	2,471,440	0.2270	0.2270	33,559	
Clayton SBD	General Revenue	85,433,730	0.0840	0.0840	0	0.0000	0.0000	391,835,130	0.1130	0.1130	0	0.0000	0.0000	514,538	
Maplewood SBD	General Revenue	742,580	0.0740	0.0740	0	0.0000	0.0000	22,183,100	0.2470	0.2470	0	0.0000	0.0000	55,342	
University City SBD 57	General Revenue	1,418,480	0.4450	0.4450	0	0.0000	0.0000	9,999,350	0.4030	0.4030	0	0.0000	0.0000	46,609	
Webster Groves-Old Webster SBD	General Revenue	2,619,640	0.2050	0.2050	0	0.0000	0.0000	18,072,500	0.2130	0.2130	0	0.0000	0.0000	43,864	
Webster Groves-Old Orchard SBD	General Revenue	1,989,690	0.3380	0.3380	0	0.0000	0.0000	10,804,420	0.2820	0.2820	0	0.0000	0.0000	37,193	
Kirkwood SBD	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	38,182,630	0.3810	0.3810	0	0.0000	0.0000	145,476	
Jennings SBD	General Revenue	37,640	0.4170	0.4170	0	0.0000	0.0000	3,036,910	0.4220	0.4220	0	0.0000	0.0000	12,973	

Appendix VIII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property				Revenue	Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied			
Parkview Gardens SBD 39	General Revenue	19,482,250	0.4310	0.4310		0	0.0000	0.0000		1,821,940	0.8500	0.8500		0	0.0000	0.0000		99,454	
Crossroads SBD	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		5,187,750	0.3300	0.3300		0	0.0000	0.0000		17,120	
Robinwood West CID	General Revenue	18,567,590	0.6260	0.6260		0	0.0000	0.0000		63,470	0.0000	0.0000		0	0.0000	0.0000		116,233	
Crestwood Point CID	Debt Service	0	4.7190	3.0000		0	4.7190	3.0000		2,050,960	4.7190	3.0000		0	4.7190	3.0000		61,529	
Crossings CID	General Revenue	2,114,830	1.6568	1.6568		0	0.0000	0.0000		7,273,470	1.2514	1.2514		0	0.0000	0.0000		126,059	2047
Crestwood Market CID	Debt Service	0	10.3298	5.0000		0	#####	5.0000		1,325,770	#####	5.0000		0	#####	5.0000		66,289	
Hazelwood R-I School District	Operating Funds-Schools	992,855,200	4.8154	4.8154	D	978,850	4.9186	4.9186	D	556,679,680	5.1638	5.1638	D	363,511,960	5.4050	5.4050	D	96,251,741	
	Debt Service	992,855,200	1.2803	1.2400		978,850	1.2803	1.2400		556,679,680	1.2803	1.2400		363,511,960	1.2803	1.2400		23,733,918	
Ferguson-Florissant R-II SD	Operating Funds-Schools	442,757,280	4.6303	4.5319	D	39,710	2.2266	1.9747	D	315,222,550	5.0312	4.8844	D	309,332,970	5.2400	5.2400	D	51,671,879	
	Debt Service	442,757,280	0.3000	0.3000		39,710	0.3000	0.3000		315,222,550	0.3000	0.3000		309,332,970	0.3000	0.3000		3,202,058	
Pattonville R-III School District	Operating Funds-Schools	488,351,420	4.0758	3.9762	C	213,400	4.3399	4.2761	C	715,711,020	5.0272	4.9557	C	300,916,910	5.2863	5.0927		70,220,240	
	Debt Service	488,351,420	0.8780	0.4900		213,400	0.8780	0.4900		715,711,020	0.8780	0.4900		300,916,910	0.8780	0.4900		7,375,445	
Kirkwood R-VII School District	Operating Funds-Schools	1,200,424,100	3.3106	3.3121	CD	117,660	3.3098	3.3098	D	297,624,500	4.9453	4.9945	CD	149,923,370	4.9321	4.9321	D	62,022,368	
	Operating Funds-Temp	1,200,424,100	0.1600	0.1600		117,660	0.0940	0.0940		297,624,500	0.1740	0.1803	C	149,923,370	0.2000	0.2000		2,757,254	2024
	Debt Service	1,200,424,100	0.3640	0.3640		117,660	0.3640	0.3640		297,624,500	0.3640	0.3640		149,923,370	0.3640	0.3640		5,999,046	
Lindbergh R-VIII School District	Operating Funds-Schools	1,002,961,980	2.8736	2.8736	D	439,230	2.4608	2.4608	D	385,534,870	3.7016	3.7016	D	165,658,860	3.9096	3.9096	D	49,579,482	
	Debt Service	1,002,961,980	0.9040	0.8330		439,230	0.9040	0.8330		385,534,870	0.9040	0.8330		165,658,860	0.9040	0.8330		12,949,775	
Mehlville R-IX School District	Operating Funds-Schools	1,438,916,580	3.6197	3.6197	D	188,280	4.3318	4.3318	D	343,899,540	3.7958	3.7958	D	268,426,050	4.4974	4.4974	D	77,218,551	
	Operating Funds-Temp	1,438,916,580	0.0340	0.0340		188,280	0.0380	0.0380		343,899,540	0.0370	0.0370		268,426,050	0.0400	0.0400		723,917	2025
Parkway C-2 School District	Operating Funds-Schools	3,333,705,130	3.2515	3.2761	CD	1,507,050	1.9434	1.9453	CD	1,240,469,520	4.1644	4.6507	CD	593,038,710	3.7709	3.7709	D	189,298,244	
	Debt Service	3,333,705,130	0.4900	0.4900		1,507,050	0.4900	0.4900		1,240,469,520	0.4900	0.4900		593,038,710	0.4900	0.4900		25,326,731	
Affton 101 School District	Operating Funds-Schools	326,981,330	4.6550	4.6550	D	0	0.0000	0.0000	D	72,530,820	5.4967	5.4967	D	59,482,610	5.6669	5.6669	D	22,578,603	
	Debt Service	326,981,330	0.6000	0.4900		0	0.6000	0.4900		72,530,820	0.6000	0.4900		59,482,610	0.6000	0.4900		2,249,075	
Bayless School District	Operating Funds-Schools	136,790,150	3.8653	3.8653	D	0	0.0000	0.0000	D	17,038,590	3.9524	3.9524	D	24,451,760	5.4349	5.4349	D	7,289,712	
	Debt Service	136,790,150	0.6670	0.5820		0	0.6670	0.5820		17,038,590	0.6670	0.5820		24,451,760	0.6670	0.5820		1,037,593	
Brentwood School District	Operating Funds-Schools	190,743,590	3.8127	3.7372		0	0.0000	0.0000		122,481,180	4.4912	4.4157		41,394,150	4.2058	4.1303		14,246,573	
	Debt Service	190,743,590	0.5380	0.4290		0	0.5380	0.4290		122,481,180	0.5380	0.4290		41,394,150	0.5380	0.4290		1,521,315	
Clayton School District	Operating Funds-Schools	699,831,200	3.6773	3.5323	BC	0	0.0000	0.0000		514,198,690	4.2276	4.3332	BC	98,094,910	4.0837	3.9337	B	50,860,154	
	Debt Service	699,831,200	0.6350	0.6230		0	0.6350	0.6230		514,198,690	0.6350	0.6230		98,094,910	0.6350	0.6230		8,174,537	
Hancock Place School District	Operating Funds-Schools	61,461,230	3.3793	3.3793	D	0	0.0000	0.0000	D	92,543,870	4.2621	4.2621	D	20,538,870	4.3000	4.3000	D	6,904,442	
	Debt Service	61,461,230	1.3275	1.2200		0	1.3275	1.2200		92,543,870	1.3275	1.2200		20,538,870	1.3275	1.2200		2,129,436	
Jennings School District	Operating Funds-Schools	58,538,980	5.4887	5.4887	D	0	0.0000	0.0000	D	23,744,560	5.4567	5.4567	D	19,892,370	4.8034	4.8034	D	5,464,208	
	Debt Service	58,538,980	1.4777	0.9900		0	1.4777	0.9900		23,744,560	1.4777	0.9900		19,892,370	1.4777	0.9900		1,011,541	
Ladue School District	Operating Funds-Schools	1,408,854,950	2.7625	2.7625	D	2,120	2.7500	2.7500	D	284,309,250	2.7500	2.7500	D	176,533,680	3.2400	3.2400	D	52,457,871	
	Debt Service	1,408,854,950	1.1826	0.7800		2,120	1.1826	0.7800		284,309,250	1.1826	0.7800		176,533,680	1.1826	0.7800		14,583,661	
Maplewood-Richmond Heights SD	Operating Funds-Schools	220,676,330	4.0675	4.0890	CD	0	0.0000	0.0000	D	86,728,830	4.5838	4.7340	CD	40,402,820	5.5041	5.5041	D	15,353,010	
	Debt Service	220,676,330	1.3500	1.3500		0	1.3500	1.3500		86,728,830	1.3500	1.3500		40,402,820	1.3500	1.3500		4,695,407	
Normandy School District	Operating Funds-Schools	157,744,570	4.1294	4.0661	E	62,980	4.4744	4.4156	E	89,112,530	3.5659	3.5028	E	55,204,210	4.6600	4.6012	E	12,078,323	
	Debt Service	157,744,570	1.8903	1.7825		62,980	1.8903	1.7825		89,112,530	1.8903	1.7825		55,204,210	1.8903	1.7825		5,385,366	
Ritenour School District	Operating Funds-Schools	276,379,780	4.3210	4.3210	D	0	0.0000	0.0000	D	196,647,380	4.6943	4.6943	D	152,545,920	4.5161	4.5161	D	28,062,714	
	Debt Service	276,379,780	0.9200	0.9100		0	0.9200	0.9100		196,647,380	0.9200	0.9100		152,545,920	0.9200	0.9100		5,692,715	
Riverview Gardens School District	Operating Funds-Schools	149,416,550	4.0813	4.0813	D	9,260	4.1469	4.1469	D	28,357,090	4.2144	4.2144	D	36,288,430	4.1177	4.1177	D	8,787,852	
	Debt Service	149,416,550	2.2986	1.7756		9,260	2.2986	1.7756		28,357,090	2.2986	1.7756		36,288,430	2.2986	1.7756		3,801,049	
University City School District	Operating Funds-Schools	609,794,410	3.6585	3.6629	CD	0	0.0000	0.0000	D	76,791,280	3.8838	4.3324	CD	70,644,480	5.1824	5.1824	D	29,324,144	

Appendix VIII
2019 Property Tax Rates
Listing of 2019 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

		Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property					
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Revenue	Expiration Year
University City School District	Debt Service	609,794,410	1.4074	0.7380		0	1.4074	0.7380		76,791,280	1.4074	0.7380		70,644,480	1.4074	0.7380		5,588,359	
Valley Park School District	Operating Funds-Schools	120,339,090	3.8811	3.9109	CD	3,710	1.8329	1.8599	CD	52,926,570	3.9212	4.0644	CD	30,722,700	4.6500	4.6500	D	8,286,164	
	Debt Service	120,339,090	1.0711	0.9410		3,710	1.0711	0.9410		52,926,570	1.0711	0.9410		30,722,700	1.0711	0.9410		1,919,566	
Webster Groves School District	Operating Funds-Schools	743,714,320	4.1118	4.1149	CD	0	0.0000	0.0000	D	114,667,550	4.5743	4.9137	CD	93,410,370	5.9000	5.9000	D	41,748,732	
	Debt Service	743,714,320	0.8990	0.5699		0	0.8990	0.5699		114,667,550	0.8990	0.5699		93,410,370	0.8990	0.5699		5,424,264	
St. Louis County	General Revenue	16,755,707,460	0.1760	0.1760		6,329,180	0.1590	0.1570		6,795,309,640	0.1860	0.1860		3,706,882,496	0.2090	0.2090		49,886,642	
	Parks & Recreation	16,755,707,460	0.0420	0.0420		6,329,180	0.0380	0.0380		6,795,309,640	0.0440	0.0440		3,706,882,496	0.0500	0.0500		11,883,179	
	Road & Bridge	16,755,707,460	0.0880	0.0880		6,329,180	0.0800	0.0790		6,795,309,640	0.0930	0.0930		3,706,882,496	0.1050	0.1050		24,961,888	
	Health	16,755,707,460	0.1180	0.1180		6,329,180	0.1060	0.1050		6,795,309,640	0.1250	0.1250		3,706,882,496	0.1400	0.1400		33,462,153	
	Developmental Dis. Board	16,755,707,460	0.0750	0.0750		6,329,180	0.0700	0.0700		6,795,309,640	0.0840	0.0840		3,706,882,496	0.0900	0.0900		21,615,465	
	Debt Service	16,755,707,460	0.0190	0.0190		6,329,180	0.0190	0.0190		6,795,309,640	0.0190	0.0190		3,706,882,496	0.0190	0.0190		5,180,204	
																	$	1,558,863,349	

Legend:

A	A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
B	A voter approved increase or decrease to an existing levy.
C	Levy includes a recoupment rate authorized by state law.
D	School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to $0.0000 and levy up to its calculated tax rate ceiling.
E	School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect $2.7500 or the amount stated on the ballot.

Notes:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VII for a listing of taxing authorities that calculated a single tax rate to apply to all property.

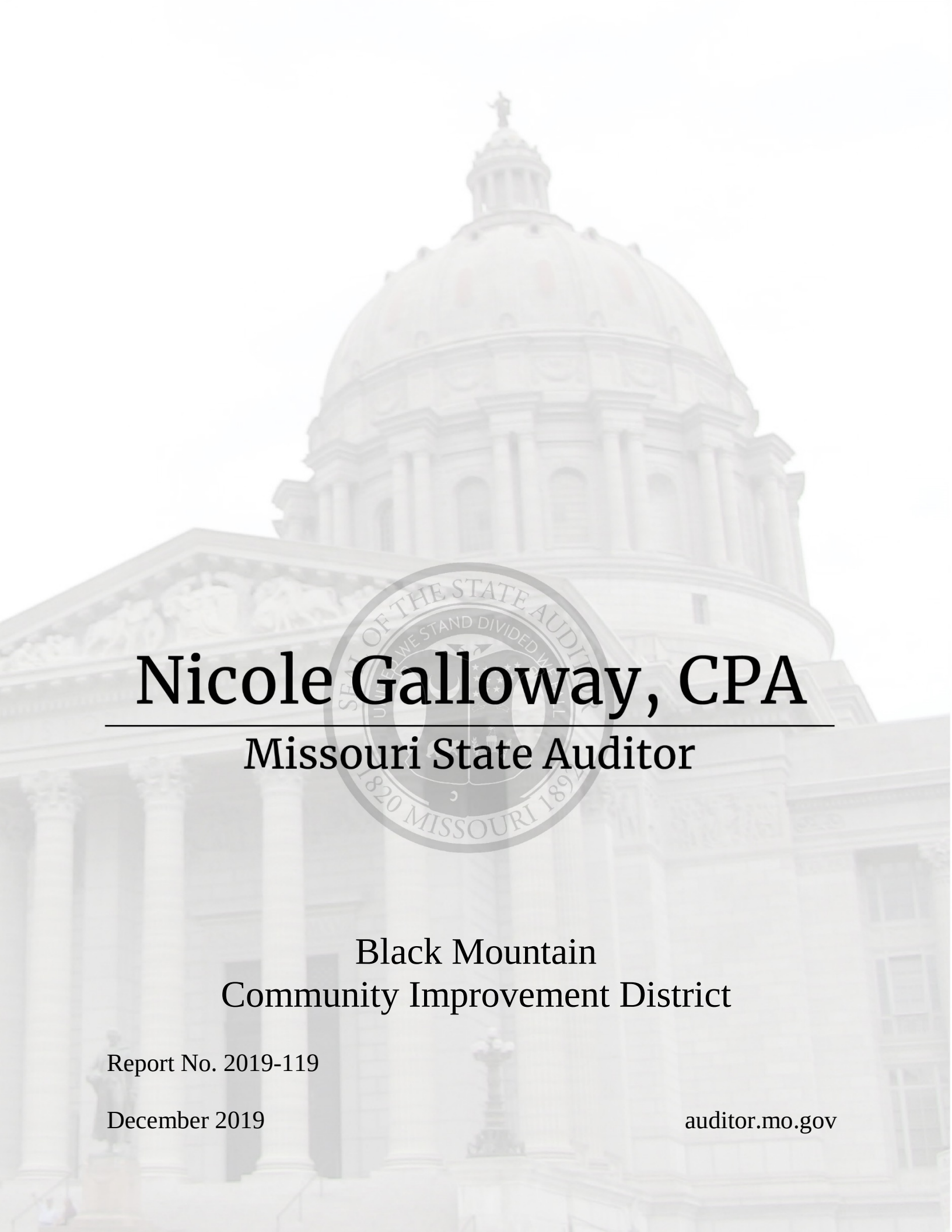
All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

The Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue shown is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

Acronyms:

CID	Community Improvement District
EMS	Emergency Medical Services
FPD	Fire Protection District
PLD	Public Library District
RDP	River des Peres
SBD	Special Business District
SLD	Street Light District
SD	School District
SwrD	Sewer District



Nicole Galloway, CPA

Missouri State Auditor

Black Mountain
Community Improvement District

Report No. 2019-119

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Black Mountain Community Improvement District

Misappropriation of District Revenues	The Black Mountain Community Improvement District (CID), which was approved by the City of Van Buren to create a sales tax for the purpose of making public infrastructure improvements inside the district's boundaries, was instead used by its creators and former Board members to pay off private business debts and to improve private commercial property for resale. Also, documentation was not retained to support some payments made to companies owned by board members.
Noncompliance with State Law	The CID Board did not prepare or post meeting notices with agendas, meeting minutes were not always maintained, and the board has not adopted a written policy regarding public access to district records as required by state law. The CID Board did not enter into a written contract to support the agreement to reimburse $135,000 in construction costs to a developer. The Board repeatedly failed to submit the required annual performance reports to the city and the state's Department of Economic Development as required by state law. The CID Board failed to submit its annual budgets for the years ended December 31, 2010 through December 31, 2017, to the city as required by state law. Also, district budgets did not contain all the elements required by state law.

In the areas audited, the overall performance of this entity was **Poor**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Black Mountain Community Improvement District
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Andy Dazey, Chairman
and
Board of Directors
Black Mountain Community Improvement District
Van Buren, Missouri

We have audited certain operations of the Black Mountain Community Improvement District as authorized under Section 67.1471.5, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

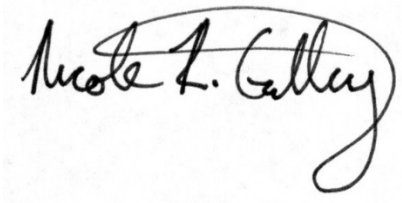
1. Evaluate the district's internal controls over significant management and financial functions.

2. Evaluate the district's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls over significant management and financial functions, (2) noncompliance with certain legal provisions, and (3) the need for improvement in management practices and procedures including financial transactions. The accompanying Management Advisory Report presents our findings arising from our audit of the Black Mountain Community Improvement District.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Troy Royer
Audit Staff:	Tori L. Riley, MBA, CFE
	Jacqueline E. Brown, MBA

Black Mountain Community Improvement District
Introduction

Background

In December 2018, two Directors from the Black Mountain Community Improvement District (CID) contacted and met with the State Auditor's Office (SAO) and requested an audit based on concerns with the previous Board's use of public monies. Based on information provided by the current Board, the SAO conducted an initial review of these matters under Section 29.221, RSMo. After completion of this review of documentation and communications provided, the SAO determined further investigation was warranted under Section 29.221, RSMo. On December 30, 2018, the Board passed an ordinance formally requesting and authorizing an audit and the audit began on January 7, 2019.

The CID is located in the City of Van Buren. The CID was organized in August 2010 by an ordinance passed by the city's Board of Alderman. The CID is governed by a five member Board of Directors. Pursuant to the petition approved by the city creating the district, the five members must be either a property owner of real property within the district, a business owner within the district, an authorized representative of a property or business owner, or a registered voter living within the district.

The CID boundaries consist of an estimated 17 acres. The CID had an existing convenience store with a fast food operation within the same building and a discount store. According to petition documents, the CID was formed for the purpose of funding the cost of public infrastructure, storm water controls, and other eligible site costs. The CID was not seeking a blighted status for the district and the area was not declared blighted by the city. The CID has a fiscal year end of December 31. The CID has not received an independent audit of its financial statements.

Board members serve 4-year terms and are appointed by the city's Board of Alderman. The initial CID Board appointed by the city was as follows:

Name	Term Ended
Donald L. Black II (1) (4)	August 2018
Chris D. Black (4)	August 2018
Jacob W. Black (3) (4)	August 2018
Nicolas S. Black	August 2018
Curtis L. Black (2) (4)	December 2018

(1) Chairman
(2) Vice Chairman
(3) Treasurer and Secretary
(4) Property owner and/or business owner

Obligations

The CID obtained multiple loans to fund two district projects. One loan was obtained from a local bank for $238,309 in March 2013 to consolidate previous private business loans and to fund the remodeling of the convenience store owned by three of the Board members. A second loan was obtained from

a private individual for $214,672 in February 2015 to refinance the prior bank loan. A third loan was then obtained from a local bank for $137,200 in October 2018 to refinance the second loan with a balance of $127,066 and the remaining funds were deposited into the CID bank account for future administrative and legal expenses. As of December 31, 2018 the district had an outstanding principal balance on these bank debts of $133,167.

The initial Board then agreed to pay $135,000 (payable at a rate of $800 per month) to the person who provided the second loan discussed in the previous paragraph to finance a portion of the costs associated with constructing a restaurant. As of December 31, 2018, the district had a remaining balance of $107,000 on this obligation.

Revenues

In November of 2010, the qualified property owners of the CID approved the imposition of a sales tax of up to 1 percent on all taxable transactions within the boundaries of the district for 30 years. The Board of Directors subsequently passed a resolution that set the sales tax rate 1-cent (1 percent), effective December 2010.

Current businesses within the district include Current River Express, McDonald's, Subway, and Dollar General.

Governance

Board members at December 31, 2018, were:

Name	Term Expires
Andy Dazey (1)(5)	August 29, 2020
Lisa Burke (2) (3)	August 29, 2022
Kevin Dazey (3)	August 29, 2022
Greg Pryor (3)	August 29, 2020
Vacant Board Seat (4)	

(1) Chairman
(2) Vice Chairman, Treasurer and Secretary
(3) Property owner and/or business owner
(4) Vacant until a successor is appointed by the city pursuant to Section 67.1451.4, RSMo.
(5) Representative of a business owner as allowed by Section 7 of the Petition.

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018.

We reviewed relevant laws, regulations and CID agreements; including Sections 67.1401 through 67.1571, RSMo; the petition approved by the city creating the CID; the ordinance forming the CID; the development agreement between the district and the property owners; and the bylaws of the CID. Our review of these statutes and agreements covered the legal responsibilities of the district and the CID Board. In addition, we reviewed the loans issued to fund the projects to obtain an understanding of the terms of the obligations and the requirements imposed on the district. We also reviewed Board

meeting minutes to obtain an understanding of actions taken by the Board and to determine the attendance and the oversight provided by the Board members.

We held discussions with former and current CID Board members, the former consultant and custodian of records for the CID, certain city officials, business owners or franchisees of businesses in the CID, an individual and representatives of banks who made loans to the CID, and certain contractors that worked on CID projects. The purpose of these conversations was to obtain an understanding of the district's operations and decisions made by the district's Board of Directors as well as obtaining evidence of compliance with certain legal requirements. We obtained bank information from the current board and former custodian of records. We obtained CID loan information from West Plains Bank after issuing a subpoena for the information. We obtained and reviewed available invoices and canceled checks of the CID to evaluate if all CID costs were allowable and appropriate.

We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Black Mountain Community Improvement District
Management Advisory Report
State Auditor's Findings

1. Misappropriation of District Revenues

The Black Mountain Community Improvement District (CID), which was approved by the City of Van Buren to establish a sales tax for the purpose of making public infrastructure improvements inside the district's boundaries, was instead used by its creators and former Board members to pay off private business debts and to improve private commercial property for resale. In addition, the former CID Board approved the payment of CID funds for the construction of a private commercial property owned by a local developer with past business connections with the Chairman of the Board as well as the CID. The former Board[1] spent $296,937 in CID monies for purposes not allowed by state law, including approximately $100,603 to pay off private business debts of members of the Board.[2] An additional $77,669 in expenses were not supported by invoices or adequate documentation to determine the propriety of the expenditures. However, the majority of the unsupported expenses were paid to entities associated with members of the Board.

Taxpayer funds used to pay off private business debts

Public monies were used to secure a bank loan to consolidate $100,603 for three of the five the Board members' existing private business loans. The CID obtained a loan from the West Plains Bank for $238,309 on March 11, 2013. The initial loan disbursement included $100,603 that did not go through the CID bank account, but was disbursed as follows:

- $54,284 - West Plains Bank - Farmland Real Estate Loan
  (personal loan collateralized with personal farm land)
- $12,550 - West Plains Bank - Auto Loan
  (personal loan collateralized with a semi-truck and trailer)
- $16,875 - Scott Hilderbrand - Private Individual Loan
  (personal loan)
- $10,144 - West Plains Bank - Commercial Real Estate Loan
  (personal loan collateralized with commercial real estate)
- $ 6,750 - Dennis Young - Private Individual Loan
  (personal loan)

According to Donald Black II, former CID Chairman of the Board, these 5 loans were private business loans used to purchase inventory for resale, equipment, provide cash flows for operational expenses, and performing

[1] All subsequent references to the CID Board in the rest of this report pertain to the former CID Board members listed on page 3 unless reference is made to the new Board of Directors.
[2] See Appendix C for a listing of unallowable disbursements by project.

repairs and maintenance to the Black Mountain Convenience Store.[3] These disbursements paid off personal business expenses that provided a benefit to the Board members and not for public improvements to the CID.

Using CID monies to pay for private business debts for the purchase of inventory for resale, purchase of equipment, to provide cash flows for operational expenses, and performing repairs violates state law[4] and the Missouri Constitution.[5]

Taxpayer funds used to improve private business asset for resale

Public monies were used to make improvements to a private asset in an area not designated as blighted, in violation of state law. The use of CID funds for this purpose is also not in accordance with the petition approved by the city to form the district. CID funds were used to make $125,972[6] of improvements to the Black Mountain Convenience Store while the store was owned by Board members Donald L. Black II, Curtis L. Black, and Jacob W. Black via Black Mountain Lodge, LLC. These improvements included:

- $52,324 for new fuel pumps and a new point-of-sale system for the fuel pumps
- $25,866 for a new canopy for the fuel pumps
- $9,960 for a new walk-in beer cave

Other expenses included remodeling of restrooms, new wallpaper and painting, electrical work, and labor expenses. These improvements were complete by June 2014. Black Mountain Lodge, LLC, then sold the convenience store 6 months later in December 2014. The public was not reimbursed for the public funds used to renovate the convenience store.

The former Chairman, through his attorney, claimed a formal blight designation is not needed in order to use public money to renovate a private business under the CID statutes. However, state law[7] requires the petition document to state whether or not the petitioners are seeking a blighted determination. In addition, Section 9 of the CID petition document indicates the petitioners did not seek a blighted status for the district.

[3] The Black Mountain Convenience Store was sold in December 2014 and the name was changed by the new owner to the Current River Xpress Convenience Store.
[4] Section 67.1461, RSMo, does not grant the authority to the Board to use public monies for private business purposes.
[5] Article VI, Sec. 23.
[6] Of this amount, $109,082 was expended through the checking account, with an additional $16,890 being expended directly from loan funds. See Appendixes A and B.
[7] Section 67.1421.2(i), RSMo.

The former Chairman, through his attorney, also stated that even if a blight designation is required, a Tax Increment Finance (TIF) Redevelopment plan was adopted by the city, which designated the area as blighted. However, Section 1.3 of the TIF Plan states the area inside the CID boundaries is not considered blighted. Also, as part of our fieldwork, we confirmed with a city official that the area within the CID boundaries had never been recognized by the city as being blighted. We requested the former Chairman to provide any evidence that any area within the CID had been recognized as blighted. He could not provide any evidence and stated there may have been evidence in the Carter County Courthouse that was destroyed during the flood in spring of 2017.

The petition document requesting the creation of the district gives the appearance the public monies will be used for public improvements and not to rehabilitate a private asset. Also, using public monies to improve a private asset inside the CID boundaries without a blight designation is not in accordance with Section 67.1461.2, RSMo.[8]

Taxpayer funds used to assist in construction of a private business

Public monies were used to reimburse a portion of the construction costs of a private business owned by a local developer who recently provided financing to the district Board and who had previously made private business loans to the Chairman of the Board.

The CID Board approved the reimbursement of $135,000 in construction costs to the local developer on December 15, 2015, payable at a rate of $800 per month. The construction expenses related to building a Subway restaurant inside the district's boundaries. See MAR finding number 2.2 for additional discussion of this agreement. These expenses were incurred between January 2016 and May 2016 and included the following:

- $72,900 for dirt work, concrete, and rebar
- $23,500 for legal and consulting fees
- $9,925 for surveying

Other expenses included electrical work, inspections, and striping the parking lot. While the local developer submitted invoices totaling $146,382, the CID only agreed to reimburse the developer for $135,000 in costs and paid for $3,725 in construction expenses directly from the CID checking account.[9]

[8] While Section 67.1461.2, RSMo, allows the Board to renovate a building owned by a private property owner if the area is a blighted, the CID does not have any blighted areas within the district's boundaries.

[9] See Appendix E for a listing of project expenses.

The CID has paid approximately $28,000 to satisfy this agreement and has $107,000 still outstanding as of December 31, 2018.

These expenses were incurred approximately 11 months after the CID received financing from this developer when the West Plains Bank called the $238,309 note discussed on page 6. Additionally, Donald Black II stated he had received loans in the past from this developer. The only businesses that received CID assistance in the district were the Black Mountain Convenience Store owned by Black Mountain Lodge LLC and the Subway owned by a business associate of Donald Black II. No other businesses received any assistance from the CID. Donald Black II stated the other businesses in the district, including the McDonald's and the Dollar General, could have requested assistance from the CID but those businesses did not request assistance. We discussed this matter with the owners of those businesses who stated they were never told they could request assistance from the CID. Those business owners also did not have a previous business relationship with Donald Black II.

Using CID monies to finance the construction of a new private business asset is not allowed by Section 67.1461.1(16), RSMo, which allows only for the construction or repair of public improvements, and violates the Missouri Constitution.[10]

Public misled about the purpose of the district

The creators of the CID misled the city and the public regarding the purpose of the CID. Donald Black II was the primary petitioner. Chris D. Black was also a petitioner, and both of these individuals privately benefited at the expense of the public.

In order to form a CID, a petition must be filed with the governing body (in this case the City of Van Buren) requesting the formation of the district. State law requires the petitions to contain several elements, including a 5 year plan stating a description of the purposes of the proposed district.[11] Exhibit C of the petition filed with the city requesting the formation of the CID states the CID will be formed to fund the cost of needed public infrastructure, storm water controls, and other eligible site costs. Exhibit C includes a section titled "Public Improvements to be Funded By District" and lists specific public infrastructure the CID will fund such as utility installation, streets, sidewalks, alleys, bridges, ramps, tunnels, overpasses, underpasses, traffic signs and signals, drainage, water, storm and sewer systems, and other site improvements such as parking lots, garages, lades (sic), dams and waterways, streetscape, lighting, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls, barriers, telephone and information

[10] Article VI, Sec. 23.
[11] Section 67.1421.2(3)(d), RSMo.

booths. However, the petition document also includes a statement which allows "any other useful, necessary, or desired improvement to the District as allowed by Section 67.1401 to 67.1571 of RSMo, as amended," which would potentially allow CID monies to be used for private assets if a blight designation had been obtained. Exhibit C of the CID petition is included at Appendix F.

As documented in this report, no CID monies were expended on public infrastructure.

CID monies used for personal and private gain

Public monies were used to directly benefit the private interests of Donald L. Black II, and the business interests of Black Mountain Lodge LLC, which is owned by Donald L Black II, Curtis L. Black, and Jacob W. Black; all of which were board members of Black Mountain CID. Instances include:

- Donald L. Black II used CID loan funds to pay off three private business loans totaling 77,909.[12]

- Approximately $126,000 in CID funds were used to remodel and improve Black Mountain Convenience Store[13] while the store was owned by Black Mountain Lodge, LLC. Black Mountain Lodge, LLC sold the convenience store 6 months after the renovations were complete. The public was not reimbursed for the public funds used to renovate the convenience store.

- More than $22,000 in business loans taken out by Black Mountain Lodge, LLC were later paid off with CID monies.[14]

- CID monies were used to lease land in the CID boundaries from Black Mountain Lodge LLC. The lease was for 3 years at a total cost of $28,000 for signage for the convenience store. The sign being leased was constructed in 2000, however, the lease for the sign began in 2015 after the convenience store was sold by Black Mountain Lodge LLC. The Board made lease payments from 2015 through 2018 until the new CID Board stopped making them. These payments are an unreasonable use of CID funds and serve no purpose other than to benefit Black Mountain Lodge LLC.

[12] See the $54,284 farmland real estate loan, the $16,875 private individual loan, and the $6,750 private individual loan in the *Taxpayer funds used to consolidate private business debts* section on page 6.

[13] See the *Taxpayer funds used to improve private business asset for resale* section on page 7.

[14] See the $12,550 auto loan and the $10,144 commercial real estate loan in the *Taxpayer funds used to consolidate private business debts* section on page 6.

- $10,000 was paid to a consultant for drafting a TIF plan. The TIF plan was proposed by Black Mountain Lodge, LLC. This payment is a business expense of Black Mountain Lodge, LLC and is not an allowable use of CID funds.

- $638 was paid for a title search and mortgage premium related to the convenience store. This expense was incurred while Black Mountain Lodge, LLC owned the property. This payment is a business expense of Black Mountain Lodge, LLC and is not an allowable use of CID funds.

Section 105.452.1(4), RSMo, prohibits elected and public officials from favorably acting on any matter that provides a special monetary benefit[15] to the official. In addition, Section 105.452.1(5), RSMo, prohibits public officials from using their decision making authority for the purpose of obtaining a financial gain.

Unsupported expenditures

The CID Board could not provide adequate documentation to support $77,669[16] of expenses. The CID did not retain sufficient documentation to support these disbursements and we could not determine the propriety or impropriety of them based on information obtained. These unsupported payments include:

- $51,259 to entities owned by Board members[17]

- $15,296 to the CID consultant for unknown purposes

- $6,153 to unknown vendors for unknown purposes

- $4,955 for backhoe services for an unknown purpose

To ensure disbursements are necessary and legitimate, the CID should implement a procedure to require adequate documentation as proof of the disbursement incurred by the district. Taxpayers have placed a fiduciary trust in the Board to spend public funds only on items necessary and beneficial to the district.

Conclusion

Members of the CID Board violated state law by using public monies to enrich themselves by paying off previous private business loans, renovating a convenience store (a private asset) prior to selling the store, and providing

[15] This section defines a special monetary benefit as being materially affected in a substantially different manner or degree than the manner or degree in which the public in general will be affected.

[16] See Appendix D for the listing of unsupported payments.

[17] The following entities received payments: $25,000 to Black Brothers Convenience, $14,259 to Black Mountain Convenience, and $12,000 to Black Mountain Lodge.

public money to a previous business associate to build a private asset. The petitioners of the district misled the public by telling the city the district would be used to fund public improvements. Other expenditures lacked adequate documentation to determine their purpose, but also involved companies related to the former Board members. All of these issues would have been detected sooner if the district had a governance structure without significant conflicts of interest and a significant lack of oversight.

Recommendation

The new CID Board work with law enforcement officials regarding criminal prosecution of the improper payments made for private business loans, private convenience store renovations, and Subway construction expenses, and take the necessary actions to seek restitution. In addition, supporting documentation should be obtained to support all district expenditures and ensure that expenditures do not violate state law and are a reasonable use of public funds.

Auditee's Response

The new CID Board provided a written response. See Appendix G.

2. Noncompliance With State Law

The CID Board did not prepare or post meeting notices with agendas, meeting minutes were not always maintained, and the Board has not adopted a written policy regarding public access to district records as required by state law. In addition, the CID Board did not enter into a written contract for the agreement to reimburse $135,000 in expenses related to the construction of the Subway restaurant as required by state law. Also, the Board failed to submit financial and performance reports to the city, the Department of Economic Development (DED), and the State Auditor's Office (SAO) in accordance with state law. The Board also did not include all required elements in annual district budgets, and the Board failed to submit annual budgets to the city in accordance with state law.

2.1 Sunshine Law

The CID Board did not prepare or post meeting notices with agendas, meeting minutes were not always maintained, one meeting had two different sets of minutes, and the Board has not adopted a written policy regarding public access to district records as required by state law.

Notices and agendas

No one could locate meeting notices or tentative agendas for 23 of 39 (59 percent) Board meetings held during period September 2010 through December 2018. No notices or agendas were prepared for the 15 meetings occurring between July 2014 and January 2018. In addition, notices were not signed by the Board Chairman.

Section 610.020, RSMo, requires notice of the time and place of future meetings be posted. In addition, state law[18] requires public entities to give

[18] Section 610.020, RSMo.

notice of the time, date, and place of each meeting and its tentative agenda to advise the public of matters to be considered. The notice shall be given at least 24 hours prior to the meeting.

Meeting minutes

The district did not prepare or could not locate meeting minutes for any Board meetings occurring after October 4, 2016, and prior to September 4, 2018. An agenda was provided for a meeting on February 6, 2018; however, no minutes were prepared for the meeting. In addition, the CID Board approved and signed two Board resolutions on March 11, 2013; however, no meeting minutes were maintained documenting a Board meeting occurred on this date. In addition, there were two different sets of minutes provided for a Board meeting held on December 15, 2015. No documentation could be provided indicating the original minutes were amended or approved and one set reports the discussion of the reimbursement of $135,000 in costs for the Subway.

Section 610.020.7, RSMo, requires minutes of meetings (open and closed) be taken and retained by the public governmental body. Meeting minutes serve as an official record of district business conducted and district actions and decisions.

Public access policy and requests for records

The CID has not adopted a written policy regarding public access to district records as required by state law. A written policy regarding public access to district records would establish guidelines for the district to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 610.023, RSMo, requires all Board meeting minutes and other records be available for public inspection. In addition, state law[19] lists requirements for making records available to the public. Also, state law[20] allows the district to charge fees for providing access to and/or copies of public records and provides requirements related to fees. In addition, state law[21] requires a written policy regarding release of information under the Sunshine Law.

2.2 Contracts

The CID Board did not enter into a written contract to support the agreement to reimburse $135,000 in construction costs to the developer of the Subway restaurant discussed in MAR finding number 1. As a result, the CID made 35 monthly $800 payments, totaling $28,000, to an entity without a written agreement.

[19] Section 610.023, RSMo.
[20] Section 610.026, RSMo.
[21] Section 610.028, RSMo.

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

2.3 Reporting

The Board repeatedly did not timely submit required annual performance reports to the city and the DED as required by state law. In addition, the Board repeatedly did not timely submit required annual financial reports to the SAO as required by state law.

- The Board did not submit any of the fiscal year 2010 through 2017 annual performance reports to the city as required by state law. The fiscal year 2018 annual performance report was submitted to the city on January 30, 2019, after appointment of the new Board.

- The Board submitted the fiscal year 2010 through 2016 annual performance reports to the DED on June 15, 2018.

- The Board did not submit the required financial reports to the SAO for fiscal years 2010 and 2011 until June 14, 2018, did not submit the required financial reports for fiscal year 2012 until February 6, 2018, and did not submit the required financial reports for fiscal years 2013 through 2016 until February 5, 2018.

Section 67.1471.4, RSMo, requires the CID to submit its annual performance report to the municipal clerk and the DED within 120 days after the end of the fiscal year. State law[22] also requires all political subdivisions, including CIDs, to file annual financial reports with the SAO. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the SAO must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement. Failure to timely file a financial statement may subject the political subdivision to a fine of $500 per day. Good governance and the conduct of district business requires transparency, openness, and accountability. Financial statement filing would increase transparency and allow the public to be better informed of district activities.

2.4 Budgets

The CID Board failed to submit its annual budgets for the years ended December 31, 2010 through December 31, 2017, to the city as required by state law. In addition, the Board failed to approve budgets for fiscal years

[22] Section 105.145, RSMo.

2010, 2011, and 2015 through 2018. Also, while the Board approved budgets for fiscal years 2012, 2013 and 2014, they were not approved in the time frame as required by Section 67.1471.3, RSMo. In addition, the district's budgets for fiscal years 2010 through 2018 did not contain all the elements required by state law. These budgets did not include a budget message and budget summary to describe a general overview, important features, and major changes of the budget.

Section 67.1471.2, RSMo, requires the CID to submit their proposed budget to the governing body of the city between 180 and 90 days prior to the first day of the fiscal year. Additionally, state law[23] requires the Board to present a budget with a complete financial plan to include a general budget summary and a budget message describing the important features of the budget and major changes from the preceding year.

Recommendations

The new CID Board:

2.1 Ensure proper notification and agendas for public meetings are given, meeting minutes are prepared and maintained for all CID Board meetings, and develop written policies regarding procedures to obtain access to, or copies of, public records.

2.2 Ensure all contracts are in writing. Additionally, consult with legal counsel to determine if continuing to make payments pursuant to the verbal agreement is in the best interest of the district.

2.3 Ensure annual performance reports and annual financial reports are filed with the appropriate entities within the time frames established by state law.

2.4 Ensure compliance with state law by submitting the budgets timely to the city and including a budget message describing the important features of the budget and major changes from the preceding year along with a general budget summary in the district's budgets.

Auditee's Response

The new CID Board provided a written response. See Appendix G.

[23] Section 67.010.1, RSMo.

Black Mountain Community Improvement District
Appendix A
Statement of Receipts, Disbursements, and Ending Cash Balances for the CID Checking Account
January 1, 2011 through December 31, 2018

	Year Ended December 31,								
	2011	2012	2013	2014	2015	2016	2017	2018	Total
RECEIPTS									
Sales tax	$ 21,920	41,477	42,834	41,992	43,155	44,464	50,765	47,373	333,980
Loan proceeds	-	-	114,296	-	-	-	-	137,000	251,296
Total Receipts	21,920	41,477	157,130	41,992	43,155	44,464	50,765	184,373	585,276
DISBURSEMENTS									
Convenience Store	-	-	102,824	3,980	-	2,278	-	-	109,082
Subway project	-	-	-	-	3,725	8,800	9,600	9,600	31,725
Miscellaneous	-	-	-	650	100	125	295	70	1,240
Sign lease	-	-	-	-	16,600	5,400	4,200	1,800	28,000
Unknown	14,259	1,600	45,000	2,405	4,587	-	-	172	68,023
Professional fees	7,468	750	10,000	875	-	1,100	-	-	20,193
Debt service payments	-	-	19,604	30,580	33,740	33,816	33,816	160,433	311,989
Total Disbursements	21,727	2,350	177,428	38,490	58,752	51,519	47,911	172,075	570,252
RECEIPTS OVER (UNDER) DISBURSEMENTS	193	39,127	(20,298)	3,502	(15,597)	(7,055)	2,854	12,298	
Cash, beginning of year	-	193	39,320	19,022	22,524	6,927	(128)	2,726	
Cash, end of year	$ 193	39,320	19,022	22,524	6,927	(128)	2,726	15,024	

Source: Sales Tax Reports from the Department of Revenue, bank statements, invoices, and canceled checks.

Black Mountain Community Improvement District
Appendix B
Loan Sources, Uses, and Payments
January 1, 2011 to December 31, 2018

		Year Ended December 31,								
		2011	2012	2013	2014	2015	2016	2017	2018	Total
LOAN SOURCES										
West Plains Bank	$	-	-	238,329	3,744	-	-	-	-	242,073
Dennis Young		-	-	-	-	214,672	-	-	-	214,672
First Midwest Bank		-	-	-	-	-	-	-	137,200	137,200
Total Loan Sources	$	-	-	238,329	3,744	214,672	-	-	137,200	593,945
LOAN USES										
Convenience Store Project	$	-	-	13,146	3,744	-	-	-	-	16,890
Personal Business Expenses		-	-	100,603	-	-	-	-	-	100,603
Deposit into Checking Account		-	-	114,296	-	-	-	-	137,000	251,296
Professional Fees		-	-	9,646	-	-	-	-	200	9,846
Unknown		-	-	638	-	2,370	-	-	-	3,008
Refinance Existing Debt		-	-	-	-	212,302	-	-	-	212,302
Total Loan Uses	$	-	-	238,329	3,744	214,672	-	-	137,200	593,945
LOAN PAYMENTS	$	-	-	19,604	30,580	33,740	33,816	33,816	33,367	184,923

Source: Loan records, bank statements, and discussions with the former Board Chairman.

Black Mountain Community Improvement District
Appendix C
Unallowable Disbursements by Project
January 1, 2011 to December 31, 2018

Project	Date Cleared	Vendor		Amount
Convenience Store	3/12/2013	Mid South Steel	$	52,324
	3/14/2013	L&S Electric, Kenny Sellinger, and Phil Oesch		1,920
	3/18/2013	Bluff Heating and Cooling Refrigeration		5,000
	3/18/2013	Pryor Construction		1,278
	3/18/2013	Brown Window, Inc.		1,928
	3/25/2013	Grassham Lumber		2,699
	3/25/2013	Maverick Glass		1,112
	3/29/2013	Supertints Window & Tinting, L&S Electric, Phil Oesch, and Kenny Sellinger, Pryor Construction		2,296
	4/30/2013	David Ardnt		3,000
	5/13/2013	Pryor Construction		8,300
	5/13/2013	Wallpapers Plus		732
	5/31/2013	Crafton Farm and Home, Grassham Lumber, and L&S Electric Phil Oesch, and Kenny Sellinger		1,114
	7/19/2013	Audio Acoustics, Crafton Farm & Home Center, and Grassham Lumber Co.		4,088
	8/22/2013	Kelly Sign Works		25,866
	11/8/2013	L&S Electric		2,350
	3/7/2014	Mid South Steel		3,744
	6/2/2014	Pryor Construction		900
	8/21/2014	Pryor Construction		3,080
	2/5/2016	L&S Electric		2,278
	7/19/2013	SMV Inc., L&S Electric, Christy Sanders		1,963
Total Convenience Store				125,972
Personal Business Expenses	3/13/2013	Dennis Young		6,750
	3/13/2013	Scott Hilderbrand		16,875
	3/13/2013	West Plains Bank		54,284
	3/13/2013	West Plains Bank		10,144
	3/13/2013	West Plains Bank		12,550
Total Personal Business Expenses				100,603

Black Mountain Community Improvement District
Appendix C
Unallowable Disbursements by Project
January 1, 2011 to December 31, 2018

Project	Date Cleared	Vendor	Amount
Subway Restaurant	10/19/2015	Smith & Company Engineers	3,275
	11/20/2015	Smith & Company Engineers	450
	2/12/2016	Dennis Young	800
	3/15/2016	Dennis Young	800
	4/15/2016	Dennis Young	800
	5/13/2016	Dennis Young	800
	6/15/2016	Dennis Young	800
	7/15/2016	Dennis Young	800
	8/16/2016	Dennis Young	800
	9/15/2016	Dennis Young	800
	10/14/2016	Dennis Young	800
	12/7/2016	Dennis Young	800
	12/16/2016	Dennis Young	800
	1/13/2017	Dennis Young	800
	2/16/2017	Dennis Young	800
	3/16/2017	Dennis Young	800
	4/14/2017	Dennis Young	800
	6/7/2017	Dennis Young	800
	7/7/2017	Dennis Young	800
	7/17/2017	Dennis Young	800
	8/15/2017	Dennis Young	800
	9/15/2017	Dennis Young	800
	10/16/2017	Dennis Young	800
	11/15/2017	Dennis Young	800
	12/15/2017	Dennis Young	800
	1/12/2018	Dennis Young	800
	2/15/2018	Dennis Young	800
	3/15/2018	Dennis Young	800
	4/13/2018	Dennis Young	800
	6/7/2018	Dennis Young	800
	7/6/2018	Dennis Young	800
	7/13/2018	Dennis Young	800
	8/15/2018	Dennis Young	800
	9/14/2018	Dennis Young	800
	10/15/2018	Dennis Young	800
	11/20/2018	Dennis Young	800
	12/12/2018	Dennis Young	800
Total Subway Restaurant			31,725

Black Mountain Community Improvement District
Appendix C
Unallowable Disbursements by Project
January 1, 2011 to December 31, 2018

Project	Date Cleared	Vendor	Amount
Sign Lease	1/12/2015	Black Mountain Lodge III, LLC	10,000
	2/20/2015	Black Mountain Lodge III, LLC	600
	3/18/2015	Black Mountain Lodge III, LLC	600
	7/24/2015	Black Mountain Lodge III, LLC	600
	7/24/2015	Black Mountain Lodge III, LLC	600
	7/24/2015	Black Mountain Lodge III, LLC	600
	7/24/2015	Black Mountain Lodge III, LLC	600
	7/24/2015	Black Mountain Lodge III, LLC	600
	8/19/2015	Black Mountain Lodge III, LLC	600
	9/21/2015	Black Mountain Lodge III, LLC	600
	11/10/2015	Black Mountain Lodge III, LLC	600
	12/3/2015	Black Mountain Lodge III, LLC	600
	1/7/2016	Black Mountain Lodge III, LLC	600
	2/16/2016	Black Mountain Lodge III, LLC	600
	3/3/2016	Black Mountain Lodge III, LLC	600
	6/2/2016	Black Mountain Lodge III, LLC	600
	7/26/2016	Black Mountain Lodge III, LLC	600
	8/9/2016	Black Mountain Lodge III, LLC	600
	9/13/2016	Black Mountain Lodge III, LLC	600
	10/5/2016	Black Mountain Lodge III, LLC	600
	12/8/2016	Black Mountain Lodge III, LLC	600
	1/10/2017	Black Mountain Lodge III, LLC	600
	7/12/2017	Black Mountain Lodge III, LLC	600
	7/12/2017	Black Mountain Lodge III, LLC	600
	7/12/2017	Black Mountain Lodge III, LLC	600
	9/8/2017	Black Mountain Lodge III, LLC	600
	9/8/2017	Black Mountain Lodge III, LLC	600
	9/8/2017	Black Mountain Lodge III, LLC	600
	4/17/2018	Black Mountain Lodge III, LLC	600
	4/17/2018	Black Mountain Lodge III, LLC	600
	4/17/2018	Black Mountain Lodge III, LLC	600
Total Sign Lease			28,000
General Epenses			
	1/9/2013	Gross and Associates for TIF Plan	10,000
	3/19/2013	Carter County Abstract	637
Total General Expenses			10,637
Total Unallowable Disbursements			$ 296,937

Source: Bank statements, invoices, canceled checks, and discussions with the former Board Chairman.

Black Mountain Community Improvement District
Appendix D
Unsupported Disbursements by Payee
January 1, 2011 to December 31, 2018

Payee	Date Cleared	Amount
Black Brothers Convenience	3/12/2013	$ 25,000
Total Black Brothers Convenience		25,000
Black Mountain Convenience	12/9/2011	3,259
Black Mountain Convenience	12/1/2011	2,000
Black Mountain Convenience	11/1/2011	9,000
Total Black Mountain Convenience		14,259
Black Mountain Lodge	2/19/2013	12,000
Total Black Mountain Lodge		12,000
Gross & Associates	4/2/2013	2,250
Gross & Associates	3/13/2013	9,646
Gross & Associates	12/16/2015	300
Gross & Associates	6/19/2015	350
Gross & Associates	6/1/2015	1,250
Gross & Associates	2/18/2015	1,500
Total Gross & Associates		15,296
Ron Kenney Backhoe Service	4/30/2012	1,600
Ron Kenney Backhoe Service	11/12/2014	2,405
Ron Kenney Backhoe Service	12/17/2015	950
Total Ron Kenney Backhoe Service		4,955
Unknown Payee	3/19/2013	5,750
Unknown Payee	3/18/2015	237
Unknown Payee	11/2/2018	165
Total Unknown Payee		6,152
Van Buren Postmaster	12/4/2018	7
Total Van Buren Postmaster		7
Total Unsupported Payments		$ 77,669

Source: Bank statements and cancelled checks.

Date	Vendor		Amount		Allowable by State Law
10/7/2015	Smith & Company Engineers	$	3,275		No
10/7/2015	Smith & Company Engineers		450		No
1/25/2016	Bootheel Sign, LLC		16,450		No
3/12/2016	City of Van Buren		3,000		No
4/12/2016	Eubanks Electric		5,000		No
4/25/2016	Shaffer & Hines, Inc.		5,600		No
4/29/2016	Young's General Contracting		13,500		No
4/29/2016	Young's General Contracting		51,743	*	No
4/29/2016	Shaffer & Hines, Inc.		6,200		No
5/3/2016	Eubanks Electric		9,407		No
5/3/2016	Kirby Law Firm		23,500		No
5/6/2016	Rocky Top Seal Coating		600		No
		$	138,725		

* This invoice was submitted for $59,400. However, the CID Board did not approve to repay the full amount of the invoices submitted by the developer for reimbursement.

Source: Invoices and Board meeting minutes.

EXHIBIT C

FIVE YEAR PLAN OF THE BLACK MOUNTAIN COMMUNITY IMPROVEMENT DISTRICT

FIVE YEAR DEVELOPMENT PLAN

BLACK MOUNTAIN COMMUNITY IMPROVEMENT DISTRICT

OBJECTIVES AND PURPOSE OF DISTRICT:
The Black Mountain Community Improvement District compromises estimated 17+/- acres of land lying north of U. S. Highway 60, south of Business Hwy 60, west of Current Express and south of Commercial Drive in the City of Van Buren, Missouri. The proposed District currently has an existing convenience store with a fast food operation within the same building, plus a discount store. The owners propose to develop the remainder of the property. It is proposed that a commercial building be constructed, estimated at 5,000 square feet, fronting U.S. Hwy 60 which will be operated or leased as a gift store operation. It is proposed to construct a restaurant, estimated at 5,000 square feet fronting Current Express and an estimated 54 unit hotel/motel operation. Another commercial building is proposed fronting Current Express of an estimated 5,000 square feet which will be operated or leased as a retail furniture operation. The land owners finds that the cost of developing the property to be excessive and can not afford to make all of the public improvements needed to serve the property. It is proposed that the Black Mountain Community Improvement District be formed to impose a sales tax of 1% to fund the cost of needed public infrastructure, storm water controls and other site cost eligible. The project will cost an estimated $5,750,000 with an estimated $1,200,000 in public site improvements and cost. The land owner proposes to provide all funds for the project and seek to be reimbursed by the Black Mountain Community Improvement District from tax revenue generated. The property owners conclude that without the assistance of the District the property and the needed improvements and development could not occur. District proposed to take ownership of and maintain streets known as Commercial Drive and Current Express.

PUBLIC IMPROVEMENTS TO BE FUNDED BY DISTRICT:
The District will be responsible for the funding of all public infrastructure cost for the entire development, which will include all utilities installation, streets, sidewalks, alleys, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, drainage, water, storm and sewer systems, and other site improvements such as; parking lots, garages, lades, dams and waterways, streetscape, lighting, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls, barriers, telephone and information booths, bus stop and other shelters, rest rooms, kiosks, paintings, murals, display cases, sculptures, fountains, parks, trails, lawns, trees, and any other landscape, pedestrian or shopping malls and plazas, and any other useful, necessary, or desired improvement to the District as allowed by Section 67.1401 to 67.1571 of RSMo, as amended.

ESTIMATED COST OF IMPROVEMENTS:

Utilities Work	$75,000
Demolition/Excavation/Fill/Grading/Storm Water Control	$650,000
Paving –Parking Lot-Curbs-Sidewalks-Streets-Drives	$300,000
Landscaping	$100,000
Signage	$50,000
Professional Fees	$25,000
TOTAL	**$850,000**

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October 23, 2019

Black Mountain Community Improvement District
101 Current Expressway
PO Box 62
Van Buren, MO. 63965

The Honorable Nicole R. Galloway
Missouri State Auditor
PO Box 869
Jefferson City, MO. 65102

Sent Via Email and USPS

Dear Auditor Galloway:

We are providing this letter in response to the recommendations in the audit of the Black Mountain Community Improvement District (CID)

Recommendation 1.

The new CID Board work with law enforcement officials regarding criminal prosecution of the improper payments made for private business loans, private convenience store renovations, and Subway construction expenses, and take necessary actions to seek restitution. In addition, supporting documentation should be obtained to support all district expenditures and ensure that expenditures do not violate state law and are a reasonable use of public funds.

1. We agree with the recommendation. We have already, and will continue, to take necessary steps to implement the recommendation.

Recommendation 2.1

The new CID Board ensure proper notification and agendas for public meetings are given, meeting minutes are prepared and maintained for all CID meetings, and develop written policies regarding procedures to obtain access to, or copies of, public records.

2.1 We agree with the recommendation. We already have procedures on proper notification, agendas for public meetings, and meeting minutes are prepared and maintained. At our next CID meeting, we will develop written policies regarding procedures to obtain access to, or copies of, public records. No request for access to or copies of public records has been made to date.

Recommendation 2.2

The new CID Board ensure all contracts are in writing Additionally, consult with legal counsel to determine if continuing to make payments pursuant to the verbal agreement is in the best interest of the district.

2.2 We agree with the recommendation. All contracts will be in writing and consult with legal counsel to determine is continuing to make payments pursuant to the verbal agreement is in the best interest of the district.

Recommendation 2.3

The new CID Board ensure annual performance reports and annual financial reports are filed with the appropriate entities within the time frame established by state law.

2.3 We agree with the recommendation. We have already, and will continue, to take necessary steps to implement the recommendation.

Recommendation 2.4

The new CID Board ensure compliance with state law by submitting budgets timely to the city and include a budget message describing the important features of the budget and major changes from the preceding year along with a general budget summary in the district's budgets.

2.4 We agree with the recommendation. We have already, and will continue, to take necessary steps to implement the recommendation.

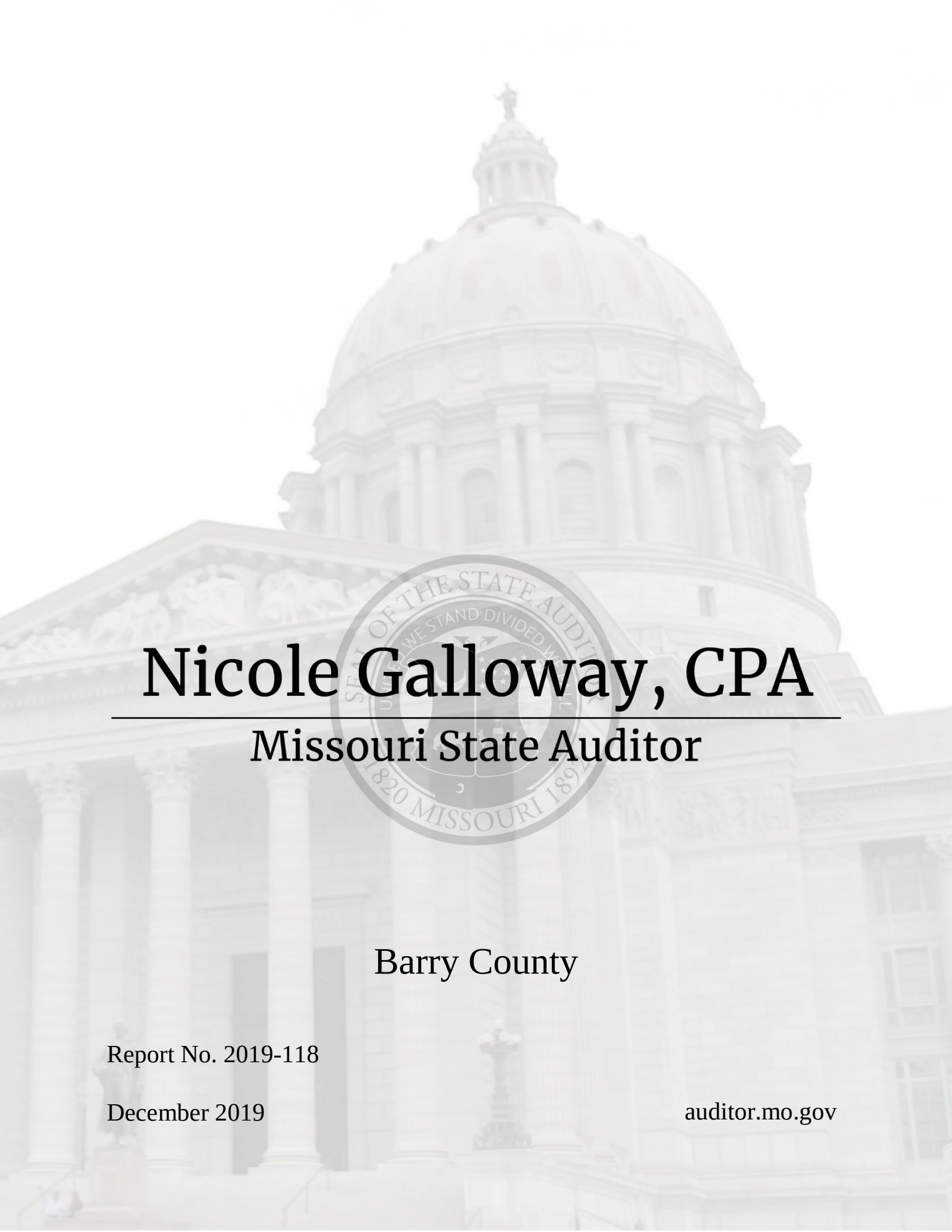
Sincerely,

Andy Dazey, Chairman

Lisa Burke, Secretary/Treasurer

Absent
Greg Pryor

Kevin Dazey



Nicole Galloway, CPA

Missouri State Auditor

Barry County

Report No. 2019-118

December 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Barry County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. The Sheriff needs to improve receipting, reconciling, and depositing procedures. The Office Administrator does not prepare adequate bank reconciliations for the 3 bank accounts, and monthly lists of liabilities are not prepared to reconcile to the available cash balances. The Sheriff's office has not remitted net proceeds to the County Treasurer from the inmate commissary account for deposit into the Inmate Prisoner Detainee Security Fund. The Sheriff does not disburse some civil and criminal process fees timely. The Sheriff does not have adequate procedures to ensure all inmate monies are refunded upon release. The Sheriff's office does not always retain records to account for phone cards and e-cigarettes purchased and sold to inmates, track inventory remaining on hand, or conduct periodic physical inventory counts. The Sheriff's office does not charge or collect sales taxes on phone cards and e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue.
Public Administrator's Controls and Procedures	The Public Administrator does not consistently assess and collect fees from the accounts of some wards and estates and does not maintain a fee schedule or document criteria used to determine the fees charged. The Public Administrator does not always deposit receipts intact or restrictively endorse checks.
Electronic Data Security	The County Assessor, County Clerk, County Collector, County Treasurer, Ex Officio Recorder of Deeds, Public Administrator, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Assessor, County Collector, County Treasurer, and Ex Officio Recorder of Deeds do not have security controls in place to lock computers after a certain period of inactivity. The County Collector and Ex Officio Recorder of Deeds have not fully established controls for maintaining user accounts for accessing system resources. The Public Administrator does not store backup data at an off-site location and does not perform periodic testing of backup data.
Developmentally Disabled Board	The Developmentally Disabled Board has accumulated a significant cash reserve without any specific plans for its use.
Ex Officio Recorder of Deeds' Controls and Procedures	The Ex Officio Recorder of Deeds has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. The Ex Officio Recorder of Deeds does not account for the numerical sequence of receipt slip numbers to ensure monies received have been properly recorded and deposited.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Barry County
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Management Advisory Report - State Auditor's Findings

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Organization and Statistical Information 14

NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Barry County

We have audited certain operations of Barry County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Barry County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

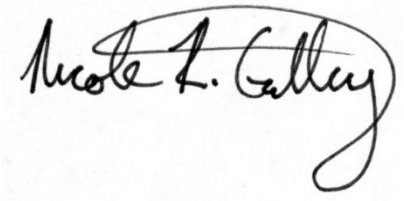
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Barry County.

An audit of the Barry County Collector and Property Tax System, fulfilling our obligations under Section 52.150, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	John Lieser, CPA
	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Marian Rader, M.Acct., CPA, CFE, CGFM
Audit Staff:	Misty Bowen, MSED
	Ethan D. Evans

1. Sheriff's Controls and Procedures

Controls and procedures for the Sheriff's office need improvement. The Sheriff's office collected monies for civil fees, concealed carry weapon permits, bonds, jail phone commissions, and other miscellaneous receipts totaling approximately $278,000 for the year ended December 31, 2017.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. The Office Administrator is responsible for receipting, recording, and depositing monies; preparing and signing checks; and preparing the bank reconciliations. The Sheriff does not perform a documented supervisory review of the accounting and bank records to ensure all monies received are properly recorded, deposited, and disbursed.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential.

1.2 Receipts, reconciliations, and deposits

The Sheriff needs to improve receipting, reconciling, and depositing procedures.

- The Office Administrator does not reconcile total receipts to total deposits. Receipt slips could not always be traced to a deposit, and some deposits could not be traced to a receipt slip. For example, bond receipts totaling $200, recorded on manual receipt slips issued between October 27, 2017, and October 29, 2017, were not deposited and no receipt slips were issued for a $120 deposit made on November 21, 2017. As a result, we could not determine if all monies received were handled appropriately and deposited.

- The Office Administrator does not reconcile the composition of receipts (cash, checks, money orders, or credit cards) to the composition of deposits. In addition, the method of payment is not accurately recorded on several receipt slips as all credit card payments were entered as cash.

Failure to implement adequate receipting, reconciling, and depositing procedures increases the risk that loss, theft, or misuse of monies will go undetected.

1.3 Bank reconciliations and liabilities

The Office Administrator does not prepare adequate bank reconciliations for the 3 bank accounts. In addition, monthly lists of liabilities are not prepared to reconcile to the available cash balances. While a bank reconciliation is prepared each month, the reconciled bank balance is not agreed to the check register balance to ensure all transactions are accounted for.

Performing adequate monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

1.4 Commissary net proceeds

The Sheriff's office has not remitted net proceeds to the County Treasurer from the inmate commissary account for deposit into the Inmate Prisoner Detainee Security Fund. The account consists of inmate monies and the net proceeds from commissary sales and had a reconciled bank balance of $16,864 at December 31, 2017. Inmate balances totaled $1,722 as of December 31, 2017, leaving undistributed commissary net proceeds totaling $15,142 in the account at that time.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

1.5 Disbursements

The Sheriff does not disburse some civil and criminal process fees timely. Civil and criminal process fees collected in August 2017, totaling $11,041 were not disbursed to the County Treasurer until October 2017, and civil and criminal process fees collected in November and December 2017, totaling $18,622 were not disbursed to the County Treasurer until February 2018.

Timely disbursement of monies collected is necessary to provide adequate controls over account balances and increase the likelihood discrepancies are promptly detected. In addition, Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such fees monthly to the County Treasurer. Additionally, pursuant to Section 50.380, RSMo, the Sheriff may be subject to penalties for failure to timely disburse monies.

1.6 Inactive inmate account balances

The Sheriff does not have adequate procedures to ensure all inmate monies are refunded upon release. As of November 7, 2018, the Sheriff's office was holding $2,776 for 609 former inmates in the commissary bank account. These inmates were released from the county jail but did not claim their commissary account balance.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to the former inmates or as otherwise provided by state law. In addition, establishing procedures to refund all inmate monies upon release will allow the Sheriff to more adequately safeguard any monies being held and reduce the risk of loss, theft, or misuse of monies.

A similar condition was noted in our prior audit report.

1.7 Commissary inventory

The Sheriff's office does not always retain records to account for phone cards and e-cigarettes purchased and sold to inmates, track inventory remaining on hand, or conduct periodic physical inventory counts. Sheriff records indicate sales to inmates totaled approximately $41,700 for phone cards and $20,500 for e-cigarettes for the year ended December 31, 2017.

Inventory records are necessary to account for phone cards and e-cigarettes and should be retained. Comparisons of phone cards and e-cigarette purchases and sales to inventory records are necessary to ensure the phone cards and e-cigarettes and associated monies are properly recorded and handled.

1.8 Sales tax

The Sheriff's office does not charge or collect sales taxes on phone cards and e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue (DOR). Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax. Therefore, the Sheriff should be charging and collecting sales tax and remitting tax collections to the DOR.

Recommendations

The Sheriff:

1.1 Segregate accounting duties or ensure independent or supervisory reviews of detailed accounting and bank records are performed and documented.

1.2 Maintain adequate records for receipting, reconciling, and depositing monies. Such records would include reconciling the composition of receipts to the composition of deposits and ensuring the method of payment is accurately documented on all receipt slips. Also, the Sheriff should ensure receipts are deposited timely and intact.

1.3 Ensure monthly bank reconciliations are accurately performed and lists of liabilities are prepared and reconciled to the available cash balance monthly. Any differences should be promptly investigated and resolved.

1.4 Disburse net proceeds not necessary to meet cash flow needs or current operating expenses to the County Treasurer for deposit into the Inmate Prisoner Detainee Security Fund.

1.5 Ensure receipts are disbursed timely.

1.6 Refund inmates their remaining balance upon release. In addition, the Sheriff should attempt to return unclaimed balances to the former

inmates. If the payee cannot be located, the amount should be disbursed in accordance with state law.

1.7 Maintain inventory records of phone cards and e-cigarettes, reconcile these records to phone cards and e-cigarettes purchased and sold, and perform periodic physical inventory counts.

1.8 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on phone card and e-cigarettes sales and ensure future sales tax collections are remitted to the DOR.

Auditee's Response

All of these issues could be more readily addressed if the Sheriff's office had more staff.

1.1 Due to minimal office staff, we cannot segregate duties. We will ensure supervisory reviews of detailed accounting and bank records are performed and documented on a monthly basis.

1.2 We will make deposits weekly and intact. All monies as they are received are kept in a lock box. The key to the lock box is kept in the Sheriff's office with limited access by the Sheriff, Office Administrator, and the Chief Deputy.

We are totally revising portions of our receipting process to more accurately describe what the receipted monies are composed of (cash, money order, credit card, debit card, etc.). These new procedures and receipt slips will enable us to trace deposits to receipts and ensure that all monies received are handled appropriately and deposited in a timely manner.

This new procedure and receipts slips will enable the Office Administrator to reconcile the composition of receipts to the composition of deposits. This new procedure will also help ensure that the method of payment is accurately recorded on the receipt slips.

1.3 Bank reconciliations will be done monthly on the bank accounts. A list of liabilities (if any) will be prepared and reconciled to the available cash balance. Any differences will be promptly investigated and resolved.

1.4 A minimal account balance, as deemed appropriate by the Sheriff to ensure continuous operation of the jail's facilities (i.e., commissary payments, inmate phone systems, and returned inmate funds), will be maintained in the commissary account. The commissary account will be reviewed for liabilities monthly. Net proceeds will be transferred

from the commissary account to the Inmate Prisoner Detainee Security Fund quarterly.

1.5 *As stated in our response to 1.2, we will deposit or disburse all receipts weekly and intact.*

1.6 *We will establish procedures to follow up on outstanding checks. We will contact and reissue checks to payees that can be located. For payees that cannot be located, the monies will be turned over to the state's unclaimed property fund. We will send certified letters to the last known address of the inmate and if they are returned or the former inmate does not contact us within 90 days, the unclaimed money that is still in the former inmate's account will go to the Missouri State Treasurer's Office. We are currently refunding monies to inmates upon their release. We will work to resolve unclaimed balances in former accounts and send all unclaimed funds to the state on a quarterly basis.*

1.7 & 1.8 *We are in the process of selecting a new commissary vendor. We will no longer be handling any phone card or e-cigarette inventory. These items will be handled by the commissary vendor.*

2. Public Administrator's Controls and Procedures

Controls and procedures for the Public Administrator's office need improvement. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of approximately 160 wards and estates during the year ended December 31, 2017.

2.1 Fees

The Public Administrator does not consistently assess and collect fees from the accounts of some wards and estates and does not maintain a fee schedule or document criteria used to determine the fees charged. During the year ended December 31, 2017, fees totaling $27,394 from 35 wards and estates were paid to the Public Administrator or prior Public Administrator.

To ensure fees are properly assessed, the Public Administrator should work with the Circuit Judge, Probate Division, to establish a fee schedule. Without documenting criteria used when determining the appropriate fee to charge there is less assurance fees charged to each ward or estate are fair, reasonable, and properly assessed.

2.2 Receipts

The Public Administrator does not always deposit receipts intact or restrictively endorse checks. A cash count performed on September 24, 2018, identified a gap in the sequence of receipt slip numbers for the receipts on hand to be counted. Receipts for receipt slip numbers 845005 through 845014

(excluding 845007, 845008 and 845010) were on hand at the time of the cash count. However, $600 in receipts for receipt slip numbers 845007, 845008, and 845010 had already been deposited on September 24, 2018, resulting in receipts not being deposited intact. In addition, 3 checks on hand totaling $4,400 had not been restrictively endorsed.

Failure to implement adequate receipting procedures increases the risk of loss, theft, or misuse of monies and the likelihood that errors will go undetected. Procedures should be established to ensure all receipts are deposited intact and restrictively endorse checks upon receipt.

Recommendations

2.1 The Public Administrator work with the Circuit Judge, Probate Division, to establish a formal policy outlining the fee amount to assess wards and estates.

2.2 The Public Administrator deposit receipts intact and restrictively endorse checks immediately upon receipt.

Auditee's Response

The Public Administrator drafted policies implementing the points in the report and discussed the policies with his staff. He will provide the policy to the Circuit Judge, Probate Division, for approval.

3. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

3.1 Passwords and user identification

The County Assessor, County Clerk, County Collector, County Treasurer, Ex Officio Recorder of Deeds, Public Administrator, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically or have a minimum number of characters in the passwords to help ensure they remain known only to the assigned user. In addition, officials and employees share the user identification and password for certain computers in the offices of the County Assessor, County Collector, and Ex Officio Recorder of Deeds.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed or contain a minimum number of characters in certain offices and are shared by employees in some offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted for the County Collector in our 2 prior audit reports.

3.2 Security controls

The County Assessor, County Collector, County Treasurer, and Ex Officio Recorder of Deeds do not have security controls in place to lock computers after a certain period of inactivity. In addition, the County Clerk, County Collector, County Treasurer, Ex Officio Recorder of Deeds, Public Administrator, and Sheriff do not have security controls in place to lock computers after a certain number of incorrect logon attempts.

Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. In addition, logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

3.3 User accounts

The County Collector and Ex Officio Recorder of Deeds have not fully established controls for maintaining user accounts for accessing system resources. As a result, accounts assigned to former employees are not always removed timely.

Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets. The failure to remove all terminated employees' access on a timely basis increases the risk of unauthorized access and may compromise the confidentially and integrity of county data.

3.4 Data backups

The Public Administrator does not store backup data at an off-site location and does not perform periodic testing of backup data.

Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data on the computer. To help prevent loss of information and ensure essential information and computer systems can be recovered, computer data should be stored off-site and tested on a periodic basis.

Recommendations

The County Commission work with other county officials to:

3.1 Require confidential passwords for each employee that are confidential, contain a minimum number of characters, and are

periodically changed to prevent unauthorized access to county's computers and data.

3.2 Require county computers have security controls in place to lock each computer after a certain period of inactivity and after a certain number of incorrect logon attempts.

3.3 Ensure user access is promptly deleted following termination of employment.

3.4 Ensure computer backup data is stored in a secure off-site location and tested on a regular basis.

Auditee's Response

The County Commission will work with the county's information technology company to implement these recommendations.

4. Developmentally Disabled Board

The Developmentally Disabled Board has accumulated a significant cash reserve without any specific plans for its use.

The Board's cash balance at December 31, 2017, totaled approximately $1,000,000. This balance, based on previous spending, represents approximately 3 years of payments to nonprofit organizations and other disbursements. According to the Board President, the Board maintains a large balance due to concerns about potential cuts to services at the state and federal level. Despite the significant cash balance, the Board continues to propose a property tax rate at or slightly less than the maximum rate allowed.

Accumulating an excessive cash balance with no specific long-term plans for use of these monies puts an unnecessary burden on taxpayers. The Board should determine future needs, and consider reducing future tax levies if a specific use for the cash reserves is not determined. Pursuant to Section 205.971, RSMo, the County Commission is given the taxing authority to levy a property tax rate to provide services for the developmentally disabled. Thus, the County Commission should review the necessity of the tax levy rate proposed by the Board.

A similar condition was noted in our 4 prior audit reports.

Recommendation

The Developmentally Disabled Board work with the County Commission to evaluate funding needs and consider reducing the property tax levy. If plans have been made for expending the accumulated cash balance, such plans should be set forth publicly in the budget document.

Auditee's Response

The Board has reduced the property tax levy for the year 2020. This was done due to the accumulated cash balance in the Board's account. The property tax was reduced to 0.0200 for the 2020 tax year, which is significantly below

the maximum rate allowed. The Board continues to be concerned about potential cuts to services at the state and federal level.

5. Ex Officio Recorder of Deeds' Controls and Procedures

Controls and procedures for the Ex Officio Recorder of Deeds' office need improvement. The office collected various fees totaling approximately $286,000 related to recording documents, such as marriage licenses and deeds, during the year ended December 31, 2017.

5.1 Segregation of duties

The Ex Officio Recorder of Deeds has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. The Deputy Recorder is responsible for receipting, recording, and depositing monies, and preparing the bank reconciliations. The Ex Officio Recorder of Deeds does not perform a documented supervisory review of the accounting and bank records to ensure all monies received are properly recorded, deposited, and disbursed.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receipting, recording, and depositing monies and preparing bank reconciliations. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential.

5.2 Numerical sequence

The Ex Officio Recorder of Deeds does not account for the numerical sequence of receipt slip numbers to ensure monies received have been properly recorded and deposited.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

Recommendations

The Ex Officio Recorder of Deeds:

5.1 Segregate accounting duties or ensure independent or supervisory reviews of detailed accounting and bank records are performed and documented.

5.2 Account for the numerical sequence of receipt slip numbers.

Auditee's Response

5.1 The Recorder of Deeds and Deputy Recorder now share the responsibility of the daily activities, which include receipting, recording, and depositing monies and preparing the bank reconciliations. A daily review will be conducted and documented on our daily deposit slip with the initials of the verifier.

5.2 A daily receipts journal report will be reviewed to verify that all documents are in numerical sequence. This will be documented on our daily deposit slip and initialed by the verifier.

Barry County
Organization and Statistical Information

Barry County is a county-organized, third-class county. The county seat is Cassville.

Barry County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 67 full-time employees and 10 part-time employees on December 31, 2017.

In addition, county operations include the Developmentally Disabled Board and Senior Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Cherry Warren, Presiding Commissioner	$	31,700
Gary Schad, Associate Commissioner		31,185
Wayne Hendrix, Associate Commissioner		31,185
Craig Williams, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Gary Youngblood, County Clerk		45,000
Amy Boxx, Prosecuting Attorney		137,073
Gary Davis, Sheriff		54,600
Lois Lowe, County Treasurer		45,000
Jim Fohn, County Coroner		16,800
Keith Daniels, Public Administrator (2)		26,120
Pam Modlin, Public Administrator (2) (3)		1,274
Janice Varner, County Collector (4), year ended February 28,	54,513	
Sherry Smith, County Assessor, year ended August 31,		45,750
Sam Goodman, County Surveyor (5)		

(1) Compensation is paid by the state.

(2) Includes fees from probate cases.

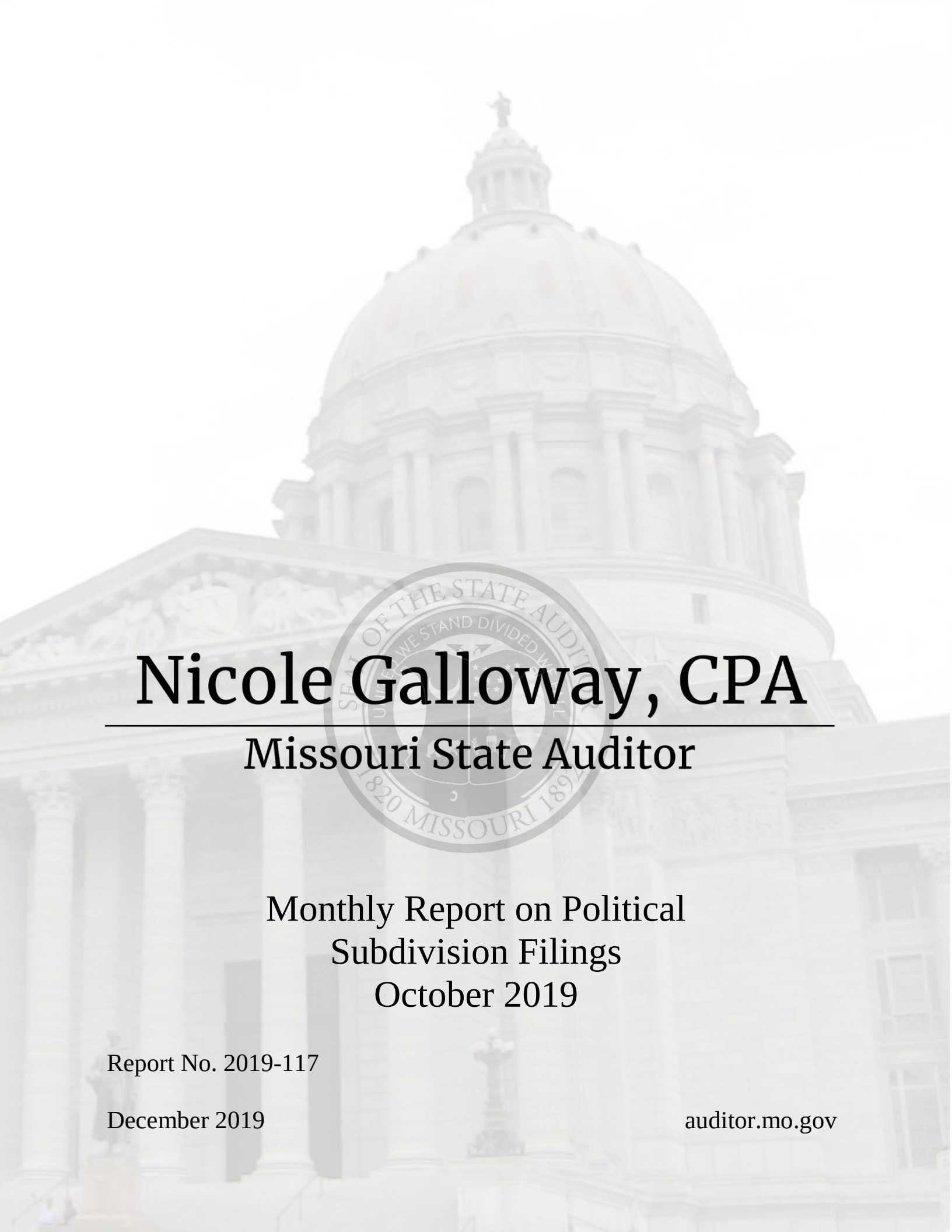
(3) The prior Public Administrator received fees for cases still in her possession until the cases were transferred to the current officeholder. As allowed by Section 473.767, RSMo, the prior Public Administrator transferred cases throughout the year, at the first court date of the case.

(4) Includes $9,513 of commissions earned for collecting city property taxes.

(5) Compensation on a fee basis.

Other Information

In November 2017, the County Commission approved separating the position of Circuit Clerk and Ex Officio Recorder of Deeds from one elected official to two elected officials. Danielle Still was elected the Recorder of Deeds on November 6, 2018, and took office on January 1, 2019.



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings October 2019

Report No. 2019-117

December 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
October 2019
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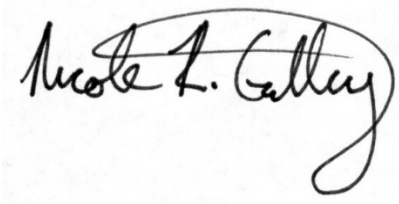
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 78 political subdivisions required to file a financial report by October 31, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in October 2019, after their filing deadline. The filing status for these 14 entities is presented in summary on page 3 and by individual entity in Appendix B-E.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings
October 2019
Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 78 political subdivisions, other than cities, towns, and villages, with a fiscal year end of April 30, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 78 political subdivisions, 71 filed an annual financial report timely.

This report also includes the filing status for 14 political subdivisions, other than cities, towns, and villages, that filed their financial report in October 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2019

Fiscal Year Ended April 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Boone	East Ashland Plaza CID	Yes	May 8, 2019
Butler	North Inter-River Drainage District	Yes	July 17, 2019
Camden	Lake Ozarks Community Bridge TDD	Yes	September 16, 2019
Clay	Antioch Center CID	No	
	Brighton Creek Commons CID	Yes	July 25, 2019
	Creekwood Commons CID	Yes	July 25, 2019
	Flintlock Plaza CID	Yes	September 12, 2019
	Flintlock Shoppes CID	Yes	September 11, 2019
	Marketplace 152 CID	Yes	August 1, 2019
	Metro North Crossing CID	Yes	October 28, 2019
	Metro North Square & Commons CID	Yes	October 30, 2019
	North Oak Village CID	Yes	August 30, 2019
	Oak Barry CID	Yes	October 30, 2019
	Shoal Creek Parkway/North Oak Trafficway TDD	Yes	October 29, 2019
	Shoal Creek Valley CID	Yes	October 31, 2019
	South Bristol Center CID	Yes	August 29, 2019
	Twin Creeks Center CID	Yes	October 30, 2019
	Valley View CID	Yes	August 20, 2019
	Villages CID	Yes	October 17, 2019
DeKalb	DeKalb-Clinton Ambulance District 1	Yes	October 14, 2019
Jackson	12th & Wyandotte CID	Yes	July 31, 2019
	39th Street CID	Yes	October 29, 2019
	4840 CID	Yes	October 28, 2019
	5050 Main CID	Yes	August 28, 2019
	51st & Oak CID	Yes	August 28, 2019
	801 Westport Road CID	No	
	89th & State Line CID	Yes	September 11, 2019
	9th & Central CID	Yes	July 31, 2019
	Broadway Area CID	Yes	September 30, 2019
	Brookside CID	Yes	August 30, 2019
	Brywood Centre CID	Yes	August 30, 2019
	Downtown Kansas City CID	Yes	October 28, 2019
	Grandview Village CID	No	
	Greenway Fields Neighborhood CID	Yes	August 6, 2019
	Independence Avenue CID	Yes	September 24, 2019
	InterContinental CID	Yes	September 30, 2019
	Kansas City Downtown Streetcar TDD	Yes	August 30, 2019
	Kansas City Main Street Rail TDD	Yes	October 24, 2019
	Kansas City MO PID 1	Yes	September 3, 2019
	Kansas City MO PID 2	Yes	September 3, 2019
	Kansas City MO PID 3	Yes	September 3, 2019
	Kansas City MO PID 4	Yes	September 3, 2019
	Landing Mall CID	Yes	September 11, 2019
	Linwood Shopping Center CID	No	
	Martin City CID	Yes	October 31, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2019

Fiscal Year Ended April 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Noland Fashion Square CID	No	
	Performing Arts CID	Yes	September 4, 2019
	Pershing & Grand CID	Yes	September 25, 2019
Jackson	PWSD 2 Jackson County	Yes	July 11, 2019
	Red Bridge CID	Yes	October 31, 2019
	Red Bridge Shopping Center CID	Yes	August 27, 2019
	River Market CID	Yes	August 15, 2019
	Shops on Blue Parkway CID	Yes	August 21, 2019
	Skelly CID	Yes	September 11, 2019
	State Line Shopping Center CID	Yes	October 31, 2019
	Troost Avenue CID	Yes	August 29, 2019
	Truman Road CID	Yes	October 17, 2019
	Uptown CID	Yes	September 25, 2019
	Waldo CID	Yes	August 14, 2019
	Ward Parkway Center CID	Yes	October 23, 2019
	Ward Parkway Plaza CID	Yes	September 11, 2019
	Watts Mill CID	Yes	September 11, 2019
	Westport CID II	Yes	October 23, 2019
Jasper	Briarbrook CID	Yes	October 28, 2019
Mississippi	St. James Drainage District	No	
New Madrid	Drainage District 38 New Madrid County	Yes	October 5, 2019
	Richland Drainage District	Yes	August 25, 2019
Oregon	PWSD 1 Oregon County	Yes	June 18, 2019
Pemiscot	Elk Chute Drainage District	No	
Platte	Edgewood Farms CID	Yes	October 30, 2019
	K.C. International Airport CID	Yes	August 28, 2019
	Old Foundation CID	Yes	September 11, 2019
	PWSD 6 Platte County	Yes	July 23, 2019
	Tiffany Landing CID	Yes	August 30, 2019
	Zona Rosa CID	Yes	July 25, 2019
Ray	Senior Citizen's NHD	Yes	October 30, 2019
Shelby	Valley Drainage District	Yes	April 27, 2019
Ste. Genevieve	Ste. Genevieve County Memorial Hospital	Yes	August 13, 2019
Total Filed		71	
Total Not Filed		7	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District
PID	Port Improvement District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in October 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cape Girardeau	PWSD 4 Cape Girardeau County	Yes	October 1, 2019
Phelps	Edgar Springs Rural Volunteer FPD	Yes	October 21, 2019
Randolph	Higbee Area FPD	Yes	October 16, 2019
St. Louis City	Laurel TDD	Yes	October 9, 2019
Total Filed		4	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due July 31, 2019
Filed in October 2019

Fiscal Year Ended January 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Charles	Dardenne Creek Drainage District 3	Yes	October 11, 2019
Total Filed		1	

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due August 31, 2019
Filed in October 2019

Fiscal Year Ended February 28, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Carroll	Dewitt Drainage & Levee District	Yes	October 8, 2019
Total Filed		1	

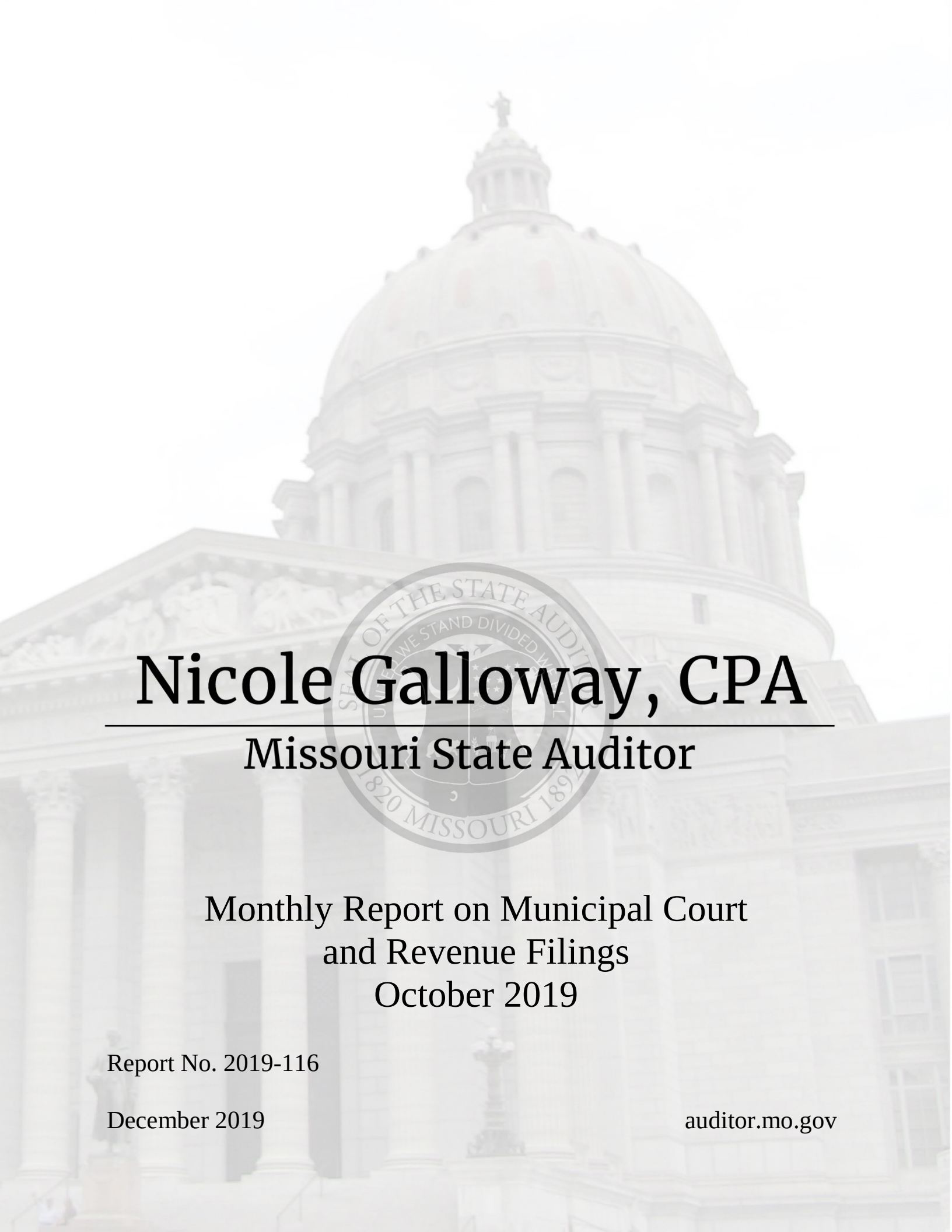
Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in October 2019

Fiscal Year Ended March 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cass	Cedar Tree CID	Yes	October 2, 2019
Howell	63 Bypass CID	Yes	October 15, 2019
	Ozark Hills CID	Yes	October 15, 2019
	Ramseur Farm CID	Yes	October 15, 2019
	South 160 CID	Yes	October 15, 2019
	Southern Hills CID	Yes	October 15, 2019
Jefferson	Twin City Mall CID	Yes	October 17, 2019
Stoddard	PWSD 4 Stoddard County	Yes	October 19, 2019
Total Filed		8	

Acronyms:

CID	Community Improvement District
PWSD	Public Water Supply District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings October 2019

Report No. 2019-116

December 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
October 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

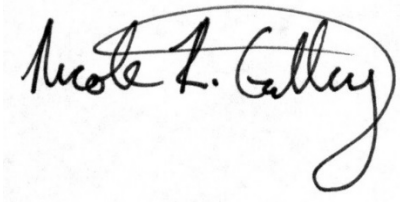
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by October 31, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 19 cities, 1 town, and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in October 2019, after their filing deadline. The filing status for these 16 cities and 6 villages is presented in summary on pages 4 and by individual entity in Appendixes B to E.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 19 cities, 1 town, and 4 villages with a fiscal year end of April 30, 2019, whose financial report was due by October 31, 2019. Of the 24 municipalities required to file an annual financial report, 20 filed the report timely. Of the 17 municipalities required to file an addendum, 5 filed an addendum timely. Of the 10 municipalities required to file a certification, 7 filed a certification timely.

This report includes the filing status for 16 cities and 6 villages that filed at least one of the items (financial report, addendum, or certification) in October 2019, after their filing deadline. Of these entities, 16 filed an annual financial report, 8 filed an addendum, and 3 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2019

Fiscal Year Ended April 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Benton	Village of Ionia	Yes	June 19, 2019	n/a	n/a
Boone	City of Ashland	Yes	July 30, 2019	No	n/a
Dunklin	City of Hornersville	Yes	July 9, 2019	No	Yes
Gentry	Village of Gentry	No		n/a	n/a
Grundy	City of Trenton	Yes	October 25, 2019	No	n/a
Jackson	City of Kansas City	Yes	October 30, 2019	Yes	Yes
Jasper	City of Carl Junction	Yes	October 30, 2019	Yes	Yes
Lafayette	City of Alma	Yes	August 16, 2019	No	n/a
Lewis	City of La Belle	Yes	September 18, 2019	n/a	n/a
	City of La Grange	Yes	October 31, 2019	No	No
Lincoln	Village of Truxton	Yes	October 3, 2019	No	n/a
Marion	City of Palmyra	Yes	July 11, 2019	Yes	Yes
Mercer	City of Princeton	Yes	May 14, 2019	No	n/a
Mississippi	City of Charleston	No		No	No
New Madrid	City of Portageville	Yes	August 27, 2019	Yes	Yes
	City of Risco	Yes	September 24, 2019	No	Yes
Newton	Town of Grand Falls Plaza	Yes	October 28, 2019	n/a	n/a
	Village of Wentworth	Yes	July 18, 2019	n/a	n/a
Osage	City of Linn	Yes	October 11, 2019	Yes	n/a
Phelps	City of St. James	Yes	October 23, 2019	No	No
Ralls	City of Perry	Yes	October 24, 2019	No	n/a
Randolph	City of Higbee	Yes	July 22, 2019	n/a	n/a
St. Charles	City of Portage Des Sioux	No		n/a	n/a
St. Louis	City of Beverly Hills	No		No	Yes
Total Filed		20		5	7
Total Not Filed		4		12	3
Total n/a		0		7	14

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in October 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Henry	City of Windsor	Yes	October 9, 2019	Yes	n/a
Total Filed		1		1	0

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in October 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Callaway	City of Mokane	Yes	October 17, 2019	n/a	n/a
Carroll	Village of Tina	**	May 14, 2019	Yes	n/a
Daviess	Village of Winston	**	April 6, 2019	Yes	n/a
Johnson	City of Kingsville	**	April 9, 2019	Yes	n/a
Scott	Village of Kelso	**	February 22, 2019	Yes	n/a
Worth	Village of Worth	Yes	October 4, 2019	n/a	n/a
Total Filed		2		4	0

** Filed by June 30, 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2019
Filed in October 2019

Fiscal Year Ended February 28, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Osage	Village of Freeburg	***	September 30, 2019	Yes	n/a
Total Filed		0		1	0

*** Filed after August 31, 2019, but before October 2019.

n/a Entities without a municipal judge are not required to file a certification.

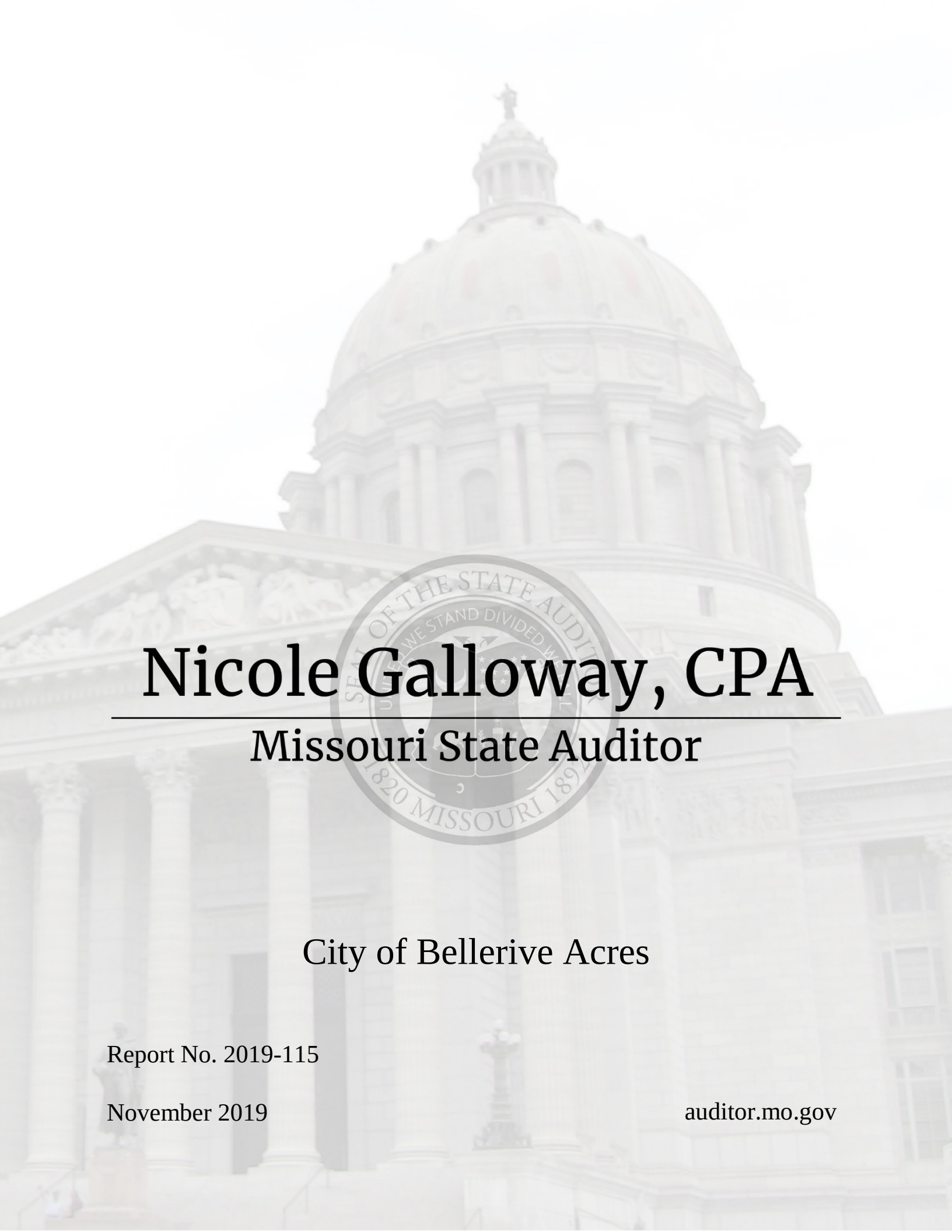
Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in October 2019

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Audrain	City of Martinsburg	Yes	October 15, 2019	No	n/a
Carroll	City of Norborne	Yes	October 17, 2019	Yes	n/a
Cass	City of Pleasant Hill	Yes	October 1, 2019	Yes	Yes
Clay	City of Holt	Yes	October 9, 2019	No	n/a
Cooper	City of Pilot Grove	Yes	October 15, 2019	No	n/a
Lawrence	City of Pierce City	Yes	October 16, 2019	**	**
Miller	City of Iberia	**	July 10, 2019	**	Yes
Mississippi	City of East Prairie	Yes	October 30, 2019	No	Yes
Moniteau	City of California	Yes	October 1, 2019	**	n/a
Montgomery	City of Wellsville	Yes	October 16, 2019	No	n/a
Osage	City of Westphalia	Yes	October 17, 2019	n/a	n/a
St. Louis	City of Velda Village Hills	Yes	October 31, 2019	No	No
	Village of Hillsdale	Yes	October 16, 2019	No	n/a
Texas	City of Licking	Yes	October 15, 2019	No	No
Total Filed		13		2	3

** Filed by September 30, 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

City of Bellerive Acres

Report No. 2019-115

November 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of Bellerive Acres

Disbursements	The Board of Aldermen's review and approval process for disbursements is not adequate. The city does not have a formal bidding policy and has not established policies for the selection of vendors providing professional services. The city held a holiday party, costing approximately $7,000, in December 2017, that was a questionable and/or unnecessary use of city resources. City officials could not provide adequate supporting documentation for numerous disbursements.
Contracts	City officials do not obtain written contracts for all services. The city does not have a current contract with a neighboring city for the various services being provided for Bellerive Acres and did not comply with some of the previous contract terms.
Compensation	The Board did not document its approval of a salary increase for the former City Administrator and compensation paid to city employees is not set by ordinance.
Budgets and Published Financial Statements	City officials do not properly prepare or approve budgets, and do not publish semiannual financial statements in accordance with state law.
Certificates of Deposit and Municipal Court Bank Account	The city does not have adequate procedures to monitor certificate of deposit balances. The city incurred significant fees in the municipal court bank account causing the account to have insufficient funds for required disbursements of fines and costs and the reconciled bank balance to be negative.
Ordinances and Sunshine Law	City ordinances are not organized, complete, or up to date. The Board has not adopted a written policy regarding public access to city records as required by state law.
Capital Assets	The city does not maintain adequate records of its capital assets including buildings, land, vehicles, equipment, and other property.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Bellerive Acres
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Management Advisory Report - State Auditor's Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Bellerive Acres, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Bellerive Acres. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

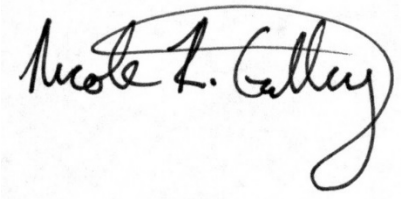
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bellerive Acres.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Joel Stucky

1. Disbursements

City procedures over disbursements need improvement. The city disbursed approximately $342,000 for the year ended December 31, 2018.

1.1 Review and approval process

The Board of Aldermen's review and approval process for disbursements is not adequate. The Mayor prepares manual checks for invoices provided by the City Administrator and other routine payments are made electronically. The city's financial services provider presents a listing of disbursements made since the prior meeting to the Board at each Board meeting. However, because the report lists disbursements already made, the Board does not review any disbursements before payment. Also, although meeting minutes may document discussion of specific purchases, neither the meeting minutes nor the disbursement listing include documented approval of any disbursements and the Board generally does not review any invoices or other documentation supporting the disbursements.

To adequately document the Board's review and approval of disbursements, a complete and detailed listing of disbursements should be signed or initialed by Board members to denote their approval, and retained with the official minutes. In addition, the Board or someone independent of the disbursement process should review supporting documentation before payment is made. Failure to properly review all invoices and supporting documentation, and document authorizations, increases the possibility of inappropriate disbursements occurring.

1.2 Procurement procedures

The city does not have a formal bidding policy and has not established policies for the selection of vendors providing professional services. The city did not solicit proposals for professional services including trash services ($28,400), sewer lateral services ($12,900), legal services ($8,200), and accounting services ($5,600).

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Formal bidding procedures should be sufficiently detailed and include requirements for documenting the process of awarding a bid.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.

1.3 Holiday party

The city held a holiday party, costing approximately $7,000, in December 2017, that was a questionable and/or unnecessary use of city resources.

According to the city's newsletter, the event was held at a local country club, food was provided, and adult residents of the community were invited. In addition, according to a Board member, alcohol was provided at no cost to the guests during the party and contributed to the higher cost of the event. City personnel could not provide an itemized invoice or other documentation to support the amount spent on the party. The Mayor indicated a holiday party did not occur in 2018 due to the high cost in 2017.

Public funds should be spent only on items necessary and beneficial to the city. Citizens have placed a fiduciary trust in their public officials to spend city monies in a prudent and necessary manner. For any future city events, the Board should evaluate if the cost to the city is reasonable.

1.4 Supporting documentation

City officials could not provide adequate supporting documentation for numerous disbursements. Our review determined supporting documentation was not maintained for 109 of 199 disbursements (55 percent) made during the year ended December 31, 2018.

To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices, or other detailed documentation with payment information clearly indicated.

Recommendations

The Board of Aldermen:

1.1 Review and document approval of all disbursements and supporting documentation.

1.2 Establish formal bidding policies and procedures and periodically solicit proposals for professional services.

1.3 Ensure all disbursements are necessary and prudent uses of public funds.

1.4 Require adequate, detailed supporting documentation be retained for all disbursements.

Auditee's Response

1.1 The city will ensure that all disbursements are approved by the Board prior to the disbursements being paid, and that such approvals will be documented in meeting minutes. Reports will be given during public meetings with respect to the specific disbursements that are being approved by the Board. The city's financial services provider already provides, and will continue to do so, a financial report each month at public Board meetings and has all invoices and checks available for review by the Board members at each meeting. Further, the Board will adopt a procedure for allowing for the payment of

essential bills, such as utilities, for months when the city is unable to hold its regularly scheduled meetings. The city will ensure compliance with all applicable laws and policies and procedures.

1.2 The city accepts the recommendation and will develop policies and procedures with respect to the soliciting and approving of bids. The city will ensure that documentation relative to the soliciting and approval of bids is maintained at City Hall. The city will ensure all written contracts are executed in accordance with Section 432.070, RSMo.

1.3 As reflected in the report, based upon the expenses incurred in holding a holiday party in 2017, the current Board did not hold a similar party in 2018 and does not intend to do so in 2019. As such, the city accepts the recommendation and will ensure all disbursements are necessary and prudent uses of public funds.

1.4 The city accepts the recommendation and will maintain all invoices and checks for all disbursements pursuant to the records retention schedule published by the Missouri Secretary of State.

2. Contracts

City officials do not obtain written contracts for all services. In addition, the city does not have a current contract with the City of Normandy and did not comply with some of the previous contract terms.

Written contracts

The city does not have written contracts with some service providers and certain outside parties. Written contracts have not been established with vendors or entities providing trash, legal, and accounting services. Also, the city's copies of the written contracts for sewer lateral services are not signed by the contractor.

City of Normandy contract

The city does not have a current contract with the City of Normandy and did not comply with some terms of the previous contract. In accordance with the contract, the City of Normandy provides police protection and services, municipal court services, and general clerical services to the city.

The initial contract, which began in February 2012, was amended in March 2013, and covered the period through January 2018. The city has not entered into a new contract with the City of Normandy since that contract ended. The City of Normandy continues to provide services to the city.

In addition, the city did not comply with the contract payment terms. The contract provided for an annual cost increase, effective each year, in February, and allowed for payment to be made in monthly installments. According to the contract, the city was to pay $4,170 monthly beginning in March 2013, with increases to $4,371 per month in February 2014, $4,581 in February

2015, $4,801 in February 2016, and $5,000 in February 2017. However, the city paid significantly less than the contract amount required. For example, the city paid $2,185 per month in 2015 and 2016. The amount increased to $4,370 per month in January 2017, and has remained at that level through at least March 2019.

The City Administrator indicated the former City Administrator approached the City of Normandy with concerns the city could not afford the full monthly contract amount so City of Normandy officials agreed to accept a reduced amount. The City Administrator further indicated that the monthly payment amount increased in 2017 because the City of Normandy requested the city increase its payment due to the current amount not being sufficient to cover the services provided. No documentation exists to support the discussions between city officials and the City of Normandy, and no contract amendments were prepared regarding the changes in compensation terms of the contract.

Conclusion

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. Closely monitoring contractor performance and compliance with contract terms is important to ensure limited city resources and assets are used wisely and that expectations of the Board and the public are met. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Formal written contract amendments are necessary when terms change substantially.

Recommendation

The Board of Aldermen enter into written contracts defining services provided and benefits received, establish procedures to properly monitor contract requirements, ensure compliance with contracts, and update or amend contracts, as necessary, when terms change.

Auditee's Response

The city accepts and has already begun implementing this recommendation.

3. Compensation

The Board did not document its approval of a salary increase for the former City Administrator and compensation paid to city employees is not set by ordinance.

The former City Administrator received a salary increase from $750 to $1,000 per month in March 2017. City personnel could not provide documentation of Board approval for the increase and the Board meeting minutes do not include any discussion or approval of the increase. In addition, the city does not have ordinances establishing the compensation of city officials and employees.

Documented approval by the Board of all salary increases and ordinances documenting approved salary amounts help ensure equitable treatment and prevent misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of all city officials and employees by ordinance.

Recommendation

The Board of Aldermen document approval of all salary increases and establish the compensation of all city officials and employees by ordinance.

Auditee's Response

The city accepts the recommendation and will develop policies and procedures, as well as pass appropriate ordinance(s) with respect to the compensation of city employees.

4. Budgets and Published Financial Statements

City officials do not properly prepare or approve budgets and do not publish semiannual financial statements in accordance with state law.

4.1 Budgetary requirements

The city's budgets do not contain all statutorily required elements and are not always approved timely. The annual budgets for the years ended December 31, 2018, and December 31, 2017, did not include a budget message, actual or budgeted amounts for the 2 preceding years, the actual beginning and estimated ending cash balance for each fund, or a budget summary. In addition, the Board did not approve the 2018 budget until July 26, 2018, and did not approve the 2017 budget until April 27, 2017.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in providing information to the public about city operations and current finances. In addition, Section 67.030, RSMo, states the governing body shall approve and adopt the annual budget prior to the beginning of the fiscal year.

4.2 Published financial statements

City officials do not publish semiannual financial statements as required by state law. As a result, information regarding the city's financial activity and condition is not available to all citizens.

Section 79.160, RSMo, requires the Board to prepare and publish financial statements semiannually that include a full and detailed account of the receipts, disbursements, and indebtedness of the city.

Recommendations

The Board of Aldermen:

4.1 Prepare annual budgets that contain all information required by state law and approve the budget prior to the beginning of the fiscal year.

4.2 Publish semiannual financial statements as required by state law.

Auditee's Response

4.1 The city will ensure its annual budgets are adopted as required and that the monthly financial reports contain sufficient detail. The city will breakdown the budget by each of the four funds, and will include a budget message or summary, beginning and estimated ending balances, budgeted amounts for the preceding years and any city indebtedness information, in addition to any other information required by state law. The city will put in place necessary policies and procedures to ensure that the budget is prepared in a timely manner, and that the monthly financial statements contain sufficient information to allow the Board to effectively monitor actual performance compared to the budget. The Board will approve budgets in a timely manner and ensure that such approvals are documented in meeting minutes.

4.2 The city accepts the recommendation and will publish a semiannual financial statement as required by state law.

5. Certificates of Deposit and Municipal Court Bank Account

The city does not have adequate procedures to monitor certificate of deposit (CD) balances. In addition, the city's handling of the municipal court bank account needs improvement.

5.1 Certificates of deposit

The city does not have adequate procedures to monitor CD balances. At December 31, 2018, the city maintained 7 CDs totaling approximately $137,000. These CD balances are reported on the city's monthly financial reports; however, city personnel do not always receive a statement or other documentation to support the amounts reported. For 1 of the 7 CDs, city personnel have no documentation to support the CD balance reported.

In addition, city officials did not change the signature authority assigned to the CDs when former officials left the city. The city's financial services provider indicated the signature authority on all CDs is either the former Mayor or a former Board member. This issue has resulted in problems for city officials as they attempt to obtain documentation of the CD balances.

To reduce the risk of loss, theft, or misuse of funds, the Board should ensure statements or other supporting documentation is routinely received on all

financial accounts, and the Board should update the bank signature cards for all financial accounts to ensure authorized signatories are only current city officials or employees.

5.2 Municipal court bank account

The city incurred significant fees in the municipal court bank account causing the account to have insufficient funds for required disbursements of fines and costs and the reconciled bank balance to be negative. City personnel voided some disbursements and held others for several months to keep the account from being overdrawn. This account consists of receipts and disbursements of fines and costs from municipal court activity.

A review of monthly bank statements and bank reconciliations for 2018 and early 2019 identified the following concerns:

- The city incurred a monthly processing fee associated with the court's credit card machine of approximately $118.
- The city incurred a monthly bank service charge of $3.
- Three checks, totaling $1,585, written from the municipal court bank account between December 2017 and March 2018, to the city, were voided in June 2018, and not reissued.
- Two checks, totaling $267, written from the municipal court bank account in June and July 2018, payable to the city, were still outstanding as of March 2019.
- The reconciled book balance of the municipal court bank account as of March 2019, was negative $260.

City officials indicated they stopped using the credit card machine in March 2019, and the credit card processing fees are no longer assessed. The municipal court bank account continues to be assessed a monthly bank service charge.

The fines and costs deposited in the municipal court bank account represent accountable fees and should be properly and fully disbursed. In addition, the Board should review banking options to determine if the service charges can be avoided.

Recommendations

The Board of Aldermen:

5.1 Obtain documentation to support all financial accounts on a routine basis and ensure only current city officials or employees are authorized signatories on all financial accounts.

5.2 Closely monitor the activity of the municipal court bank account to ensure all accountable fees are properly and fully disbursed. In addition, review banking options to determine if the service charges can be avoided.

Auditee's Response

5.1 The city accepts and has already begun implementing this recommendation. Resolutions were passed in August 2019 authorizing current city officials and the current City Administrator to have their names placed on the certificates of deposit (CDs) in order to obtain current balances. Said resolutions also removed the names of former city officials from the city's financial account(s). Going forward, the city will ensure that account statements are obtained on a routine basis.

5.2 The city accepts and has already begun implementing this recommendation. Further, the city will contact the Office of State Courts Administrator to ensure that any and all funds deposited and disbursed into the municipal court account are done so in accordance with Supreme Court Rules.

6. Ordinances and Sunshine Law

City ordinances are not organized, complete, or up to date. In addition, the Board has not adopted a written policy regarding public access to city records as required by state law.

6.1 Ordinances

City ordinances are not organized, complete, or up to date.

- Ordinances are poorly maintained. Some ordinances are old and not updated. In addition, an index of all ordinances passed and rescinded by the city is not maintained, making it difficult to determine which ordinances remain in effect.
- City officials could not locate an approved and signed ordinance relating to trash services provided by the city. They located a draft ordinance, but it was unsigned and only covered the period June 1, 2017, through December 31, 2017.
- We identified 2 instances where the same ordinance number was used for different ordinances.

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important ordinances be complete and organized.

6.2 Public access policy

The Board has not adopted a written policy regarding public access to city records as required by state law. A written policy regarding public access to city records would establish guidelines for the city to make records available

to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the city to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

Recommendations

The Board of Aldermen:

6.1 Ensure ordinances are maintained in a complete and well-organized manner, establish an index of all ordinances passed and rescinded, sign and retain copies of all ordinances, and establish an ordinance relating to trash services provided by the city.

6.2 Develop a written public access policy.

Auditee's Response

6.1 The city accepts the recommendation and will ensure that a complete and well-organized index of all ordinances passed and rescinded is maintained at City Hall. The city will begin the recodification process of the city's municipal code, as well as explore having the municipal code available online through General Code or a comparable company. Moreover, the city will pass an ordinance relating to trash services provided by the city.

6.2 The city has and will continue to abide by its Open Meetings and Records Policy which is codified in Chapter 120 of its municipal code. The city will ensure that Chapter 120 reflects the recent updates of the Missouri Sunshine Law.

7. Capital Assets

The city does not maintain adequate records of its capital assets including buildings, land, vehicles, equipment, and other property. Additionally, city personnel do not tag, number, or otherwise identify assets or perform annual physical inventories. The most recent capital asset listing city personnel could provide us was dated 2005.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent

disposition. The Board should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory.

Auditee's Response

The city currently maintains a list of capital assets; however, this list needs to be updated to reflect the current value of assets, as well as the inclusion of more detail regarding each asset. As such, the city accepts the recommendation and will schedule an inventory for early 2020. The city will thereafter perform annual inventories.

City of Bellerive Acres
Organization and Statistical Information

The City of Bellerive Acres is located in St. Louis County. It was incorporated as a village in 1939, and became a fourth-class city in 2015. The city employed 3 part-time employees on December 31, 2018.

City operations include trash services and street maintenance.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2018, are identified below. The Mayor and Board of Aldermen receive no compensation.

Clayton Klein, Mayor
Thomas Kiely, Alderman (1)
Katrina Thompson Moore, Alderwoman
William (Bill) McCrary, Alderman
Nancy Hartman, Alderwoman

(1) Replaced by Maureen Roach, who was elected in April 2019.

Other Principal Officials

The city contracts with the City of Normandy for police protection and services, municipal court services, and general clerical services. The city employed a City Administrator until his resignation, effective June 2018. The City Administrator for the City of Normandy now also serves as the City Administrator for the City of Bellerive Acres.

Financial Activity

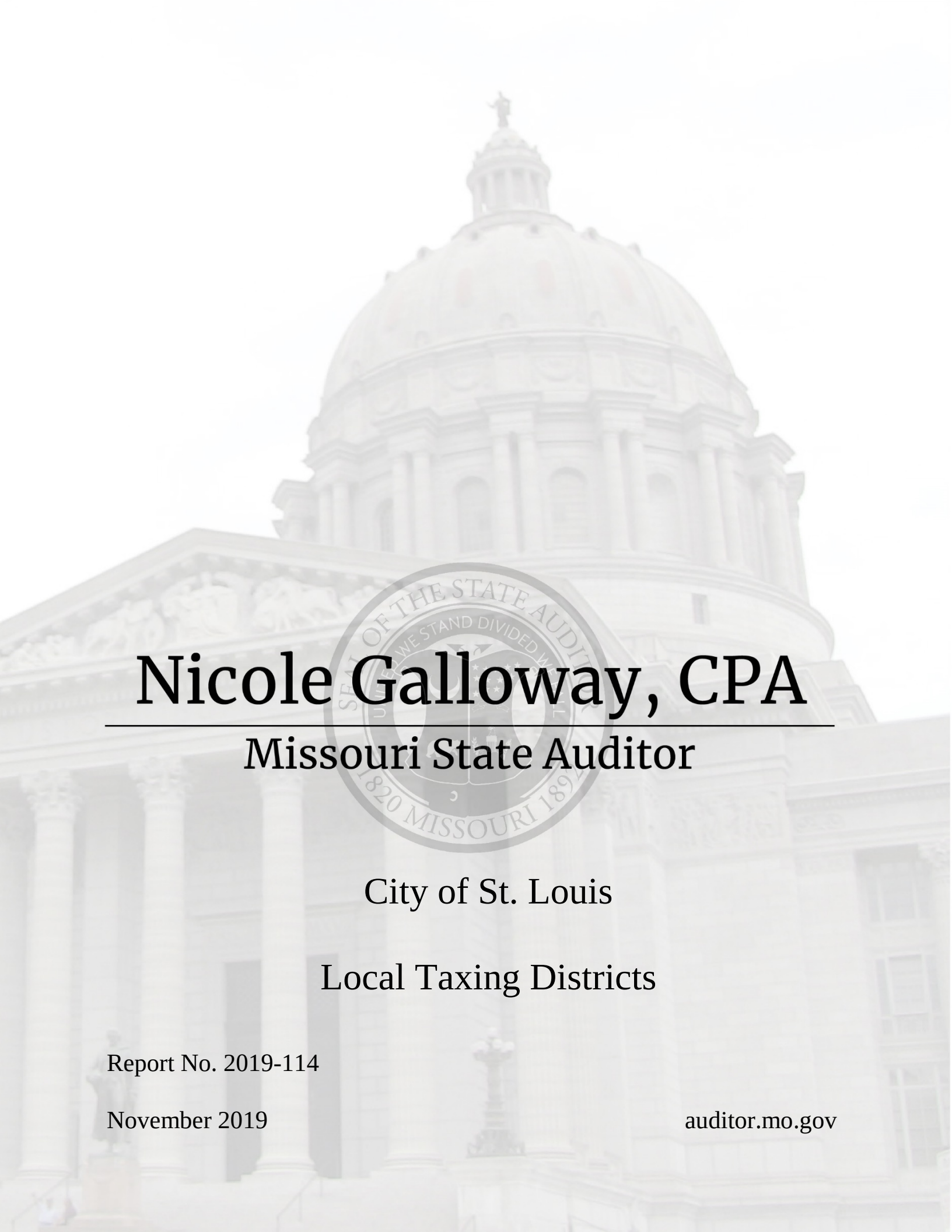
The following page shows a summary of the city's unaudited financial activity, prepared using the city's financial reports, for the year ended December 31, 2018.

City of Bellerive Acres
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended December 31, 2018

	General Fund (1)	Capital Improvement Fund	Road and Bridge Fund	Sewer Lateral Fund	Total
RECEIPTS					
Utility tax	$ 331,455	0	233	0	331,688
Property tax	33,148	0	4,797	0	37,945
Sales tax	56,435	27,045	0	0	83,480
Motor fuel tax	7,594	0	0	0	7,594
Cigarette tax	415	0	0	0	415
Cable fees	7,848	0	0	0	7,848
Merchant and vendor license	15,310	0	0	0	15,310
Court proceeds	3,836	0	0	0	3,836
Sewer lateral fees	0	0	0	2,356	2,356
Interest	657	558	215	9	1,439
Miscellaneous	519	0	0	0	519
Total Receipts	457,217	27,603	5,245	2,365	492,430
DISBURSEMENTS					
Wages	32,335	0	0	0	32,335
Utilities	10,970	0	0	0	10,970
Clerk, Court and Police contract	57,810	0	0	0	57,810
Fuel	1,167	0	0	0	1,167
Insurance	14,115	0	0	0	14,115
Accounting fees	5,564	0	0	0	5,564
Legal fees	8,460	0	0	0	8,460
Office expenses	6,389	0	0	0	6,389
Street expenses	6,658	0	0	0	6,658
Equipment expenses	6,482	0	0	0	6,482
Court fees and expenses	3,549	0	0	0	3,549
Bird sanctuary (2)	18,958	0	0	0	18,958
Trash services	28,417	0	0	0	28,417
Truck purchase	37,502	0	0	0	37,502
Sewer lateral expenses	12,900	0	0	0	12,900
Street project	86,217	0	0	0	86,217
Miscellaneous	6,398	0	0	0	6,398
Adjustment to reconcile	(4,549)	0	0	2,356	(2,193)
Total Disbursements	339,342	0	0	2,356	341,698
RECEIPTS OVER (UNDER) DISBURSEMENTS	117,875	27,603	5,245	9	150,732
CASH BALANCE, JANUARY 1, 2018	510,014	427,582	113,541	8,838	1,059,975
CASH BALANCE, DECEMBER 31, 2018	$ 627,889	455,185	118,786	8,847	1,210,707

(1) The General Fund includes activity of the municipal court bank account.

(2) Disbursements totaling $16,830 for the bird sanctuary were paid using grant monies received from the Missouri Department of Conservation in 2017.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Local Taxing Districts

Report No. 2019-114

November 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of St. Louis - Local Taxing Districts

Establishment and Evaluation of Local Taxing Districts	The City of St. Louis does not have a comprehensive economic development plan that provides a strategic approach for establishing and evaluating local taxing districts.
Community Improvement Districts	City officials allow Community Improvement Districts (CIDs) to form and operate without adequate public scrutiny to ensure these districts are in the best interest of the public. The city does not have procedures in place to ensure CIDs in the city provide annual budgets and annual performance reports as required by state law.
Transportation Development Districts	City officials do not scrutinize proposed Transportation Development District (TDD) projects to ensure the project is in the best interest of the public or if the cost of the project is a prudent use of taxpayer funds. The city has not appointed advisors to any of the TDD Board of Directors as required by state law.
Special Business Districts	The city did not establish any of the 21 current Special Business Districts in accordance with state law.

In the areas audited, the overall performance of this entity was **Poor**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Local Taxing Districts
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Executive Director, St. Louis Development Corporation
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis regarding the administration of local taxing districts in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2018. To minimize duplication of effort, we reviewed the report and the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions related to local taxing districts.

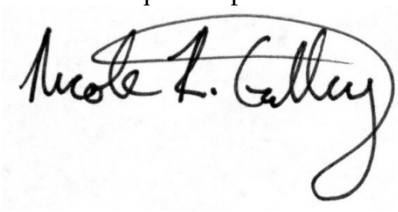
2. Evaluate the city's compliance with certain legal provisions related to local taxing districts.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions related to local taxing districts.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the administration of local taxing districts by the City of St. Louis.

Additional audits of various officials and departments of the City of St. Louis are still in process, and any additional findings and recommendations will be included in subsequent reports.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Matthew Schulenberg, CFE
Audit Staff:	Joseph T. Magoffin

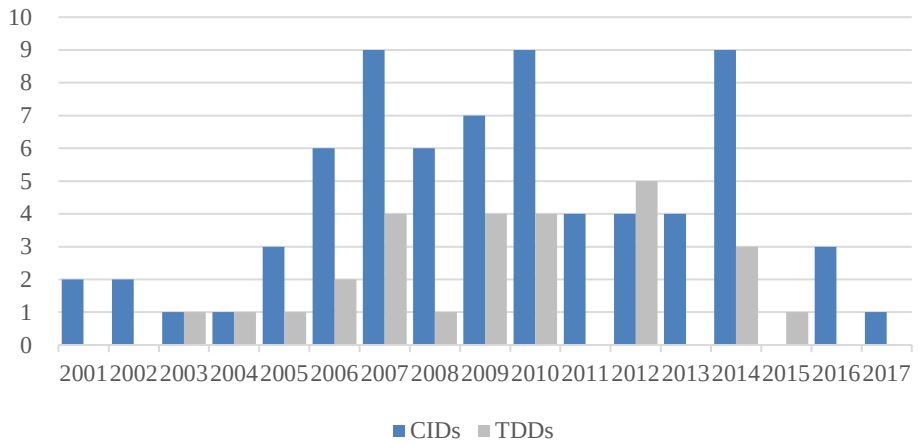
City of St. Louis - Local Taxing Districts
Introduction

Background

The City of St. Louis uses a variety of local taxing districts (LTDs) to help provide public improvements and services to specific communities within the city. These LTDs include community improvement districts (CIDs), transportation development districts (TDDs), and special business districts (SBDs).

Figure 1 shows the total number of CIDs formed in the city each calendar year from 2001 through 2017 and TDDs formed in the city each calendar year from 2003 through 2015 based on information provided by the city.

Figure 1: Number of CIDs and TDDs formed by calendar year



Source: Prepared by the State Auditor's Office (SAO) using data from the City Register.

Community Improvement Districts

The CID Act was established in 1998 and allows for the formation of CIDs under Sections 67.1401 to 67.1571, RSMo. CIDs are separate legal entities, either a political subdivision or a not-for-profit corporation. They are established to pay for either public improvements, or private projects if the area is declared blighted. The projects are funded by these districts through a sales and use tax, special assessment, or real property tax imposed by the district. As of June 30, 2018, city records indicate 86 CIDs existed in the city.

Formation

The process of forming a CID is initiated by the property owner/developer submitting a petition to the city requesting formation. The city is then responsible for determining if the petition complies with the legal requirements and must hold a public hearing before the city can adopt an ordinance approving the petition and establishing the district.

Funding methods

While various funding methods are allowed by law, 79 percent of CIDs formed in the city that responded to our questionnaire during a statewide CID audit[1] are funded with sales taxes imposed on taxable retail sales within the

[1] SAO, *Community Improvement Districts*, report number 2018-056, issued August 2018.

district boundaries. Special assessments are the funding method used by approximately 21 percent of the CIDs within the city that responded to our survey.

Municipality involvement

The city is required to:

- Receive the petition requesting formation, ensure the petition contains all the elements required by law, hold a public hearing regarding the proposed district, and if desired, establish the district via an ordinance.[2]
- Perform required tasks outlined in the petition requesting formation, such as appoint board members.

For additional information on CIDs, see Report No. 2018-056, issued August 2018.

Transportation Development Districts

The TDD Act was established in 1990 and allows for the formation of TDDs under Section 238.200 through 238.280, RSMo. TDDs are separate political subdivisions established and organized for construction, operating, and/or maintaining of transportation-related projects. The projects are funded by sales and use tax, special assessment, or real property tax imposed by the district. As of June 30, 2018, city records indicate 31 TDDs existed in the city.

Formation

The process of establishing a TDD is initiated by the filing of a petition in the circuit court of the city. The circuit court subsequently hears the case and makes a decision whether to authorize the establishment of the district.

Funding methods

While various funding methods are allowed by law, 100 percent of TDDs formed in the city that responded to our questionnaire during a statewide TDD audit[3] are funded with sales taxes imposed on taxable retail sales within the district boundaries.

Municipality involvement

In instances where the TDD's project is not intended to be merged into the state highways and transportation system, the Local Transportation Authority (LTA), in this case, the city, is required to:

- Appoint one or more advisors to the board of directors.[4]
- Approve the project prior to the construction or funding of the project.[5]

[2] Section 67.1421, RSMo.
[3] SAO, *Transportation Development Districts*, report number 2017-020, issued April 2017.
[4] Section 238.220.5, RSMo.
[5] Section 238.225, RSMo.

- Approve any modifications to the project.[6]
- Enter into an agreement with the TDD regarding development and future maintenance of the project.[7]

For additional information of TDDs, see Report No. 2017-020, issued April 2017.

Special Business Districts

SBDs are authorized under Section 71.790 through 71.808, RSMo. SBDs may impose additional property taxes and business licenses to fund certain public improvement and services within the district. As of June 30, 2018, city records indicate 21 SBDs existed in the city.

Formation

The process of forming an SBD is initiated by the city conducting a survey and investigation to determine the nature and location of the improvements as well as other factors. Then, a petition is filed by the property owners requesting formation and the city may establish the district via an ordinance.

Funding methods

SBDs are allowed to impose a property tax and a business license tax within the district.

Municipality involvement

The city is required to:

- Perform the survey and investigation and file the report in the City Clerk's office, which is available for public inspection.[8]
- Form the district via ordinance.[9]
- Appoint an advisory board or commission to make recommendations as to how the revenue of the SBD will be used.[10]

[6] Section 238.225.3, RSMo.
[7] Section 238.225.3, RSMo.
[8] Section 71.792, RSMo.
[9] Section 71.794(4), RSMo.
[10] Section 71.798, RSMo.

Scope and Methodology

The scope of our audit included, but was not limited to, the year ended June 30, 2018.

Our methodology included gathering information regarding LTDs through discussions with various officials of the city and the St. Louis Development Corporation (SLDC)[11] and reviewing information maintained by these entities. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We reviewed the petition and formation documents for selected CIDs. We discussed the city's oversight of LTDs with city officials. We also reviewed information maintained by the Department of Revenue and Department of Economic Development regarding sales tax collections and compliance with reporting requirements. We performed site visits to selected LTDs to review the project.

In addition, the SAO issued statewide audits of CIDs[12] and TDDs[13] in 2017 and 2018. As a part of these audits, the SAO sent questionnaires to districts using contact information provided by or obtained from the Department of Economic Development, Department of Revenue, Missouri Department of Transportation, and the various districts. The surveys requested information, including the board composition, the number of years the district can exist, the nature of the district project, the types of revenues (taxes, assessments, or user fees), if the district is associated with other economic incentives, and if the district is located in a blighted area.

We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

[11] The St. Louis Development Corporation acts as the economic development arm for the city of St. Louis and works to foster economic growth within the city by encouraging private investment in both city real estate and business development.

[12] SAO, *Community Improvement Districts*, report number 2018-056, issued August 2018.

[13] SAO, *Transportation Development Districts*, report number 2017-020, issued April 2017.

The SAO also performed individual audits of the 1225 Washington TDD[14] in 2015, the Washington Avenue TDD[15] in 2014, and the St. Louis Convention Center Hotel TDD[16] in 2012.

[14] SAO, *1225 Washington Avenue Transportation Development District*, report number 2015-062, issued August 2015.

[15] SAO, *Washington Avenue Transportation Development District*, report number 2014-098, issued October 2014.

[16] SAO, *St. Louis Convention Center Hotel Transportation Development District*, report number 2012-143, issued November 2012.

City of St. Louis - Local Taxing Districts
Management Advisory Report
State Auditor's Findings

1. Establishment and Evaluation of Local Taxing Districts

The City of St. Louis does not have a comprehensive economic development plan that provides a strategic approach for establishing and evaluating local taxing districts. As a result, the city does not consider if the proposed district, corresponding project, and the resulting taxation of the public is in the best interests of the city and the public.

The city establishes Community Improvement Districts (CIDs) and Special Business Districts (SBDs) and approves Transportation Development District (TDDs) projects without a comprehensive economic development plan to aid in decision making by local leaders. City officials do not have any guidance or criteria to use when evaluating the merits of a proposed district. As a result, they perform a cursory review of the proposed district, mostly to ensure the legal requirements are met, conduct public meetings as required by state law, and then approve the district. No critical evaluation of the merits are considered when determining if the proposed district, and corresponding project and taxation of the public, is in the best interests of the city and the public. This has resulted in developers establishing local taxing districts (LTDs) where the purpose of the district is not well defined, where it is questionable if the project is in the best interests of the public, and where multiple economic incentives and LTDs are approved for the same area. These LTDs overlap each other, resulting in the public paying significantly higher sales tax rates, while allowing the developer to also benefit from the use of Tax Increment Financing (TIF) and Tax Abatement (TA). For the purposes of this report, these districts will be referred to as layered incentive districts (LID).

During 2017 and 2018, the city implemented a new financial model used to evaluate the financial feasibility of TIFs and large TAs. [17] LTDs are included in this analysis if the developer seeking the TIF or large TA notifies the SLDC of their intent to also use an LTD. This method of evaluating LTDs is insufficient for the following reasons:

- The merits of the LTD(s) are not considered. Instead, the LTDs are only evaluated to determine the extent of potential cash flows to the developer. No consideration is performed to determine if the LTD is structured in a way that provides adequate protection to the public or if the LTD and the proposed LTD project are in the best interest of the City and the public.

- The only LTDs included in this financial model are the LTDs the developer is combining with a TIF and/or a large TA and if the same developer discloses the LTD information to the SLDC for analysis. There is no requirement for all proposed LTDs to be evaluated. As a result, 0 of

[17] A Tax Abatement is considered large if the project is greater than $1 million.

the 138 LTDs that existed in the city as of June 30, 2018 have been included in a financial analysis.

Layering of taxing districts

We identified 25 LIDs where two LTDs overlap, resulting in an additional 2 percent sales tax in these areas. The majority of these LIDs include a TIF, which redirects incremental sales and property taxes to the developer, or TA, which allows the property owner/developer to not pay additional property taxes as the value of the property increases as a result of the development. The 25 LIDs identified contain 25 TDDs, 24 CIDs, 16 TIFs, and 3 TAs. During the year ended June 30, 2018, the LTDs located in these LIDs collected approximately $5.5 million in sales taxes. The sales tax rate charged in these 25 LIDs is the highest in the state at 11.679 percent. City officials stated combining LTDs with a TIF results in the TIF debt being repaid sooner and by the taxpayers that are the 'users' of the project. However, city taxpayers are already subject to the highest sales tax rates in the state, and the city does not evaluate if the use of these tax dollars are in the best interest of the public.

See Appendix A for the listing of these 25 LIDs and the dollar amount of associated LTD sales tax revenue during the fiscal year ended June 30, 2018.

Designing and implementing an economic development plan could provide guidance or limitations on the following:

- The goals the city is looking to achieve by allowing the LTDs to exist
- Any preferred LTD locations
- Any criteria for desired or undesired LTD projects
- Any preferred LTD funding methods
- Limitations on the life and the allowable debt of the LTD
- Limitations on the number and purpose of LTDs

A plan could also provide clear responsibilities and duties when it comes to evaluating and monitoring the LTDs to ensure the goals of both the city and district are being achieved.

While the city has an economic development plan in conjunction with the St. Louis Economic Development Partnership, city officials have indicated the plan does not include any guidance on the use of LTDs. By defining parameters in a comprehensive economic development plan for establishing and issuing LTDs, the city and the Board of Aldermen will be able to provide more assurance the districts created are in the best interest of the public.

MAR finding numbers 2, 3 and 4 contain recommendations specific to the city's handling of CIDs, TDDs and SBDs.

Recommendation

The City of St. Louis establish a comprehensive economic development plan that defines parameters for establishing and approving local taxing districts. In addition, the comprehensive economic development plan should establish thresholds on the number of districts approved and the amount of taxes to be collected.

Auditee's Response

The city provided a written response. See Appendix B.

Auditor's Comment

The city's response references the use of a financial analysis model to evaluate the need for LTDs. Our review found that as of June 30, 2018, no active LTDs were processed through the analysis model referenced. Based on discussions with city personnel, any current or future LTDs processed through that model will be analyzed, however the extent of that analysis is to determine if LTD revenues are necessary for the viability of the project under analysis. No evaluation of the merits of the LTD, or evaluation of whether the LTD is structured in such a way to protect taxpayers, is included. Our recommendation is intended to ensure the city has guidelines established regarding when such LTDs are appropriate, to ensure criteria are established related to the structure and governance of any LTDs or projects approved, and to provide the Board of Alderman and the public additional assurance any LTDs and their projects are in the best interest of the taxpayer.

2. Community Improvement Districts

City officials allow CIDs to form and operate without adequate public scrutiny to ensure these districts are in the best interest of the public. They also do not monitor these districts after formation to ensure they operate in the best interest of the public. In addition, the city does not have procedures in place to hold the CIDs accountable when they fail to comply with state reporting requirements. As of June 30, 2018, there were 86 CIDs within the city according to the City Register. Annual revenues for these CIDs are approximately $10 million.

2.1 Minimal public scrutiny when districts are formed

City officials do not perform adequate public scrutiny of the CIDs before allowing them to form and tax the public. A petition requesting the formation of a CID is required to be filed with the City Registrar, with state law[18] requiring the petition to contain certain elements.[19] The city is then required to hold a public hearing and then may adopt an ordinance to establish the

[18] Section 67.1421.2(3), RSMo.

[19] Certain required elements include the legal description of the district, a 5-year plan stating the purposes of the district as well as the services to be provided, improvements to be made, an estimate of the costs to be incurred the method of selecting the board, a statement as to whether the petitioners are seeking a blighted designation for the district, and the proposed length of time for the existence of the district.

CID.[20] The city has complied with all of these requirements. However, additional scrutiny of these petitions is necessary to protect public interests. When a petition to form a CID is received, representatives of the city stated a legal review is performed to ensure all the required elements are included in the petition. However, based on discussions with city officials and a review of city records, the city does not ensure the purpose of the district is well defined or that the board contains independent representation.

City does not require district purpose to be well defined

The city does not require district petition documents contain a well-defined purpose. While state law requires the petition to state the general purpose of the district, the estimated costs to be incurred, and the proposed length of time the district will be in existence, district petition documents do not always specifically define the district project. As a result, the city has allowed districts to form with vague purposes.

Our review of the petition documents for 18 CIDs that are included in the LIDs discussed in MAR finding number 1 determined none of the 18 had a well-defined purpose. For example, 13 of the petitions reviewed included the following language specifically or with minor changes:

> *The contemplated improvements and services consist of any of the improvements and services authorized under the Act*[21] *including, without limitation…*

Of the remaining 5 districts, 2 used this language except the district was not authorized to acquire property by condemnation.

Requiring the CID petition to better define the purpose of the district would provide better information to city officials when evaluating the merits of the district and would help protect the public interest by ensuring CID revenues are only used for intended purposes.

Boards are not required to include anyone independent

The city does not require anyone independent of the developer/property owner(s) to be on the board of directors if no registered voters reside within the district (i.e. the CID is created for retail development). While state law allows the city to dictate the make-up of the board before formation of the district, the city does not require independent representation prior to approving the petition. As a result, many of the district boards do not include anyone independent of the developer/property owner. During a statewide CID

[20] Section 67.1421.4, RSMo.

[21] The CID Act - Sections 67.1401 through 67.1571, RSMo.

audit, [22] we determined the following from the St. Louis established CIDs that responded to our questionnaire: [23]

- The property owner/developer has a controlling interest (greater than 50 percent) on the board of 51 of the 53 CIDs, or 96 percent, that have appointed a board.
- There is no one independent of the property owner/developer on the board of 42 of the 53 CIDs, or 79 percent that have appointed a board.

Approving CIDs without adequate scrutiny results in CIDs that lack independent representation, projects that are not well defined and projects that overlap with other incentives creating additional LIDs in the city. Our statewide audit of CIDs illustrates the weaknesses in CID state law and recommended municipalities perform a more critical review of district petition documents to ensure the interests of the public are considered. While state law does not require CIDs be structured in such a way to ensure public representation on the board or require the project to be well defined, doing so provides greater protection to the public.

Districts can be established to pay TIF liabilities

A review of established CIDs identified districts created with the sole purpose of paying down tax increment financing (TIF) liabilities, thereby ensuring the developer is repaid for TIF reimbursable costs sooner than otherwise would occur. The questionnaires completed from the statewide audit of CIDs indicate 30 of the responding 55 CIDs (55 percent) are part of a TIF. These arrangements can involve most CID revenues going toward the TIF, instead of only 50 percent like other economic activity taxes. State law already includes funding mechanisms for developers to be reimbursed for TIF projects but developers/property owner(s) are establishing CIDs to provide additional funding for TIF projects. City officials stated the financial involvement of an LTD as part of the financial structure of a project is viewed as a positive since it generates additional revenue, and results in the user of the particular project helping to pay for the development.

It is not clear if state law intended the formation of CIDs for this purpose, and while a CID used to pay TIF debt is clearly in the best interest of the developer, it is not clear whether such a district is in the best interest of the public paying the additional tax.

2.2 Lack of transparency

The city does not have procedures in place to ensure CIDs in the city provide annual budgets and annual performance reports as required by state law.

[22] SAO, *Community Improvement Districts*, report number 2018-056, issued in August 2018.
[23] We sent a questionnaire to all identified CIDs requesting various information, including the composition of the board of directors. Not all CIDs responded to our request for information.

Budgets

We determined 85 of 86 of the CIDs reviewed (99 percent) did not submit a proposed annual budget for fiscal year 2018 to the city within the statutory required time frame. One district submitted a budget, but city records did not indicate when it was received. Of the 85 districts, 71 (83 percent) did not submit budgets and 14 submitted their budgets after the statutory required timeframe. These 14 districts submitted their budgets between 165 and 544 days (average of 261 days) after the statutory deadline.

State law[24] requires that no earlier than 180 days and no later than 90 days prior to the first day of each fiscal year, each CID's Board of Directors shall submit to the governing body of the municipality a proposed annual budget, setting forth expected expenditures, revenues, and rates of assessment and taxes, if any, for such fiscal year.

Annual performance reports

We determined 56 of 86 (65 percent) of the CIDs reviewed did not submit the annual performance report for fiscal year 2018 to the city within the statutory required time frame. Of these 56 districts, 55 did not submit reports and 1 submitted the report after the statutory required timeframe.

State law[25] requires that within 120 days after the end of each fiscal year, each CID's Board of Directors shall submit to the governing body of the municipality an annual performance report, stating the services provided, revenues collected and expenditures made by the district during such fiscal year, and copies of written resolutions approved by the board during the fiscal year.

Conclusion

Compliance with reporting requirements is necessary for public transparency. While state law does not require the city to actively enforce the above reporting requirements, it is in the best interests of the city and the taxpayers to ensure compliance.

Recommendations

The City of St. Louis:

2.1 Establish procedures to perform and document an evaluation of CID petitions to ensure a potential district is in the best interest of the public before adopting an ordinance establishing the district. Also, ensure the CID is structured in a way that provides independent oversight of CID activities.

2.2 Establish procedures to ensure CIDs are submitting annual budgets and annual performance reports to the city within the timeframe required by state law.

[24] Section 67.1471.2, RSMo.
[25] Section 67.1471.4, RSMo.

Auditee's Response

The city provided written responses. See Appendix B.

Auditor's Comment

The city's response states, correctly, that the city is in compliance with state law when approving CID petitions. Our finding does not cite noncompliance, but rather the need for more effective oversight and scrutiny to protect taxpayers. The city also implies that some level of scrutiny is applied by the public or the voters, however, based on survey responses in our statewide audit[26] of CIDs, 26 of the 42 CIDS (62 percent) in the city were created and voted on not by the public, but by the property owners that benefit from them.

3. Transportation Development Districts

City officials do not review proposed TDD projects to ensure the project is in the best interest of the public. Additionally, they do not monitor TDDs to ensure the TDDs complete the projects as approved by the city. As of June 30, 2018, there were 31 TDDs within the city limits, according to city records. During the year ending June 30, 2018, these TDDs received approximately $3.8 million in sales taxes.[27]

3.1 Minimal public scrutiny when projects approved results in public money for private assets

City officials do not scrutinize proposed TDD projects to ensure the project is in the best interest of the public or if the cost of the project is a prudent use of taxpayer funds. This weakness has allowed developers and property owners to use public money to pay for private assets. For example, our TDD audit report[28] discussed projects that involved parking lots that had already been constructed that did not appear to benefit the public.

Adequately scrutinizing proposed TDD projects will help ensure the project is in the best interests of the city and the public.

3.2 No oversight of district boards

The city has not appointed advisors to any of the TDD Board of Directors as required by state law. During a statewide TDD audit,[27] we determined the following from the St. Louis established TDDs that responded to our questionnaire:[29]

- The property owner/developer has a controlling interest (greater than 50 percent) on the board of 11 of the 12 responding TDDs, or 92 percent.
- There is no one independent of the property owner/developer on the board of 10 of the 12 responding TDDs, or 83 percent.

[26] SAO, *Community Improvement Districts*, report number 2018-056, issued in August 2018.

[27] Sales taxes are imposed and collected by the TDDs that have imposed a sales tax. These monies are the sent to the Missouri Department of Revenue (DOR). The DOR retains a collections fee and then remits the remaining collections to the respective TDDs.

[28] SAO, *Transportation Development Districts*, report number 2017-020, issued April 2017.

[29] We sent a questionnaire to all identified TDDs requesting various information, including the composition of the board of directors. Not all TDDs responded to our request for information.

We identified one instance where the TDD modified the project without obtaining approval from the city, which could have been detected had the city appointed advisors to the Board. The Washington Avenue TDD project was to provide public parking in the city by leasing a parking lot and making it available to the public (using the method described in section 3.1 by using public money to pay for private assets). However, the property owners do not allow the public access to the parking lot but instead only lease the spaces to tenants of their loft apartment building. The Washington Avenue TDD still imposes the sales tax on the public but provides no benefit to the public. This issue was communicated to city officials in October 2014[30] and they have taken no action to address the problem.

According to a city official, state law does not require the city to perform oversight of TDDs, including tracking and monitoring. As a result, city officials do not perform any tracking or oversight of TDDs. However, state law[31] requires the city to appoint one or more advisors to the board of directors if the TDD project is not going to be merged with the state highway system. These advisors have the authority to participate in all board meetings and discussions, whether open or closed, and have access to all records of the district and its board of directors. Given the large percentage of TDD board of directors that do not have anyone independent of the property owner/developer on the board, appointing advisors independent of the property owner/developer would provide assurance the TDD board of directors make decisions that benefit the public. City officials said this requirement is an unfunded mandate from the state and expressed concern about finding individuals to serve in this capacity. However, it is in the taxpayers' best interests to have some form of public representation on these public entity boards.

Recommendations

The City of St. Louis:

3.1 Establish procedures to perform an evaluation of proposed TDD projects and document their results to ensure the project is in the best interest of the public and the cost of the project is a prudent use of taxpayer funds before approval.

3.2 Establish procedures to ensure advisors are appointed to the TDD Board of Directors in accordance with state law.

Auditee's Response

The city provided written responses. See Appendix B.

[30] Washington Avenue Transportation Development District, report number 2014-098, released in October 2014.
[31] Section 238.220.5, RSMo.

Auditor's Comment

The city's response suggests the State Auditor's Office (SAO) is required by state law to provide oversight of TDDs. Section 238.272, RSMo, provides the SAO the discretion to audit TDDs if necessary and has done audits of TDDs including a review of the oversight of TDDs in the City of St. Louis. The City of St. Louis is the transportation authority with project approval responsibilities for TDDs within its city limits, and is the most appropriate entity to provide the oversight recommended.

4. Special Business Districts

The city did not establish any of the 21 current SBDs in accordance with state law. We determined the city did not perform a survey and investigation report for all of these SBDs as required by law, resulting in a general lack of transparency between the city, the district, and the public.

Prior to establishing an SBD, state law[32] requires the governing body of the municipality to conduct a survey and investigation. In addition, this survey and investigation is required to be written in a report, filed with the City Register, and made available for public inspection. City officials could not provide any explanation for why these documents were not required or on file.

Recommendation

The City of St. Louis establish procedures to ensure survey and investigation reports are prepared for all SBDs, filed with the City Register, and made available to the public.

Auditee's Response

The city provided a written response. See Appendix B.

Auditor's Comment

The city's response makes reference to the existence of required survey and investigation documents. During audit fieldwork and as of the report exit conference, city officials provided us no evidence of the existence of these documents.

[32] Section 71.792, RSMo, requires the survey and investigation "for the purposes of determining the nature of and suitable location for business district improvements, the approximate cost of acquiring and improving the land therefor, the area to be included in the business district or districts, the need for and cost of special services, and cooperative promotion activities, and the percentage of the cost of acquisition, special services, and improvements in the business district which are to be assessed against the property within the business district and that part of the cost, if any, to be paid by public funds."

Overall Conclusion

LTDs are development tools established by state law intended to help encourage development at the local level. State law also leaves oversight primarily up to local officials, including approval of CID and SBD petitions and approval of TDD projects, and the ability to participate in the governance of these districts. State law also requires various documents and reports to ensure transparency and aid in local oversight. The city has not used the tools provided by state law to provide any meaningful oversight of LTDs, and has made no coordinated effort to strategically evaluate LTD petitions and projects. By taking action to be more critical of LTD petitions and projects, and by taking a more active role in providing oversight of LTDs, the city can help ensure the tax dollars that go toward these districts are used in the most effective manner possible and in the best interest of taxpayers.

Appendix A
City of St. Louis - Local Taxing Districts
Layered Incentive Developments

	TDD	CID	Additional LTD Sales Tax Rate	Sales Tax Revenue, June 30, 2018	TIF	Tax Abatement
1	1225 Washington	1225 Washington	2 percent	$ 140,673	Yes	No
2	1831/2000 Sidney St	1831/2000 Sidney St	2 percent	***	No	Yes
3	2118 Chouteau	2017 Chouteau	2 percent	***	No	No
4	212 S Grand	212 S Grand	2 percent	93,489	No	Yes
5	501 Olive ****	501 Olive	2 percent	***	No	No
6	620 Market St	620 Market St	2 percent	***	No	Yes
7	705 Olive	705 Olive	2 percent	***	No	Yes
8	Ballpark Village	Ballpark Village	2 percent	303,369	Yes	No
9	Broadway Carrie	North Broadway Carrie	2 percent	131,706	Yes	No
10	Broadway Hotel ****	Broadway Hotel	2 percent	729,994	No	No
11	CB 5421-5975	*	2 percent	212,145	Yes	No
	Loop Trolley	*		790,733		
12	City Hospital Laundry	City Hospital RPA 2 Ph1	2 percent	94,497	Yes	No
13	City Hospital Powerhouse	City Hospital Powerhouse	2 percent	***	Yes	No
14	Crowne Plaza	Crowne Plaza	2 percent	124,513	No	No
15	Euclid Buckingham	Eulcid South	2 percent	***	Yes	No
16	Hampton/Berthold	Hampton/Berthold	2 percent	62,191	Yes	No
17	Laurel	Laurel	2 percent	177,592	Yes	No
18	Magnolia	Magnolia	2 percent	***	No	Yes
19	Railway Exchange Bldg	Railway Exchange Bldg	2 percent	22,992	Yes	No
20	Residence Inn Downtown	Residence Inn Downtown	2 percent	***	No	Yes
21	St. Louis CCH 3	St. Louis CCH 3	2 percent	1,081,158	Yes	No
22	St. Louis Food Hub	Georgian Square	2 percent	***	Yes	No
23	Union Station	Union Station	2 percent	713,572	Yes	No
24	Washington Avenue**	1133 Washington	2 percent	***	Yes	No
25	Washington Avenue**	1100 Washington	2 percent	***	No	Yes
			Total	$5,486,650		

* The Loop Trolley TDD includes the CB 5421-5975 TDD. There is not a corresponding CID.

** The Washington Avenue TDD includes the 1133 Washington and 1100 Washington CID.

*** This amount is redacted at the request of the Department of Revenue, but is included in the cumulative total. The Department of Revenue declines to disclose sales tax revenue for LTDs when fewer than 7 businesses are within their boundaries, citing Section 32.057, RSMo.

**** The 501 Olive LTD and the Broadway Hotel LTD have been approved for a tax abatement, however, the tax abatement has not been implemented because the project is either not complete or just been completed and the tax abatement was not implemented prior to June 30, 2018.

OFFICE OF THE MAYOR
CITY OF ST. LOUIS
MISSOURI

LYDA KREWSON
MAYOR

CITY HALL - ROOM 200
1200 MARKET STREET
SAINT LOUIS, MISSOURI 63103-2877
(314) 622-3201
FAX: (314) 622-4061
KREWSONL@STLOUIS-MO.GOV

October 2, 2019

Hon. Nicole Galloway
State Auditor's Office
P.O. Box 869
Jefferson City, Missouri 65102

Re: City of St. Louis Response to State Auditor's Findings Regarding Local Taxing Districts

Dear Auditor Galloway:

The City of St. Louis sincerely thanks you and your staff for the time invested in preparing your report relating to the creation and operation of local taxing districts in the City of St. Louis. Although Community Improvement Districts (CID), Transportation Development Districts (TDD) and Special Business Districts (SBD) are all separate political subdivisions apart from the City, the City has a significant interest in ensuring that these districts are created and operated in an appropriate manner. Whenever it participates in the creation of a local taxing district, the City must consider the public's best interest and be responsive to the property owners and voters that petition or vote for the creation of these districts and the right to impose additional taxes or assessments upon themselves.

The City has reviewed the State Auditor's findings. Several of these findings are policy proposals that the City does not necessarily disagree with, but that require state legislation to implement effectively. Additionally, the City has identified several instances where the State Auditor's findings are inaccurate or as to which the City has a different opinion regarding best practices or policies. The City's responses to the State Auditor's findings are set forth below:

1. Establishment and Issuance of Local Taxing Districts

Auditor Finding: **The City of St. Louis does not have a comprehensive economic development plan that provides a strategic approach for establishing and evaluating local taxing districts. As a result, the city does not consider if the proposed district, corresponding project, and the resulting taxation of the public is in the best interests of the city and the public.**

City's Response: The plan described by the State Auditor is not required by state statute. Nonetheless, the City is currently in the process of formulating its Equitable Economic Development Strategy plan and will consider the State Auditor's findings as this plan is finalized. This plan is expected to be completed by January, 2020.

Auditor Finding: **[T]he city does not consider if the proposed district, corresponding project, and the resulting taxation of the public is in the best interests of the city and the public.**

The city establishes Community Improvement Districts (CIDs) and Special Business Districts (SBDs) and approves Transportation Development District (TDDs) projects without a comprehensive economic development plan to aid in decision making by local leaders. City officials do not have any guidance or criteria to use when evaluating the merits of a proposed district. As a result, they perform a cursory review of the proposed district, mostly to ensure the legal requirements are met, and then approve the district. No consideration is given to determine if the proposed district, and corresponding project and taxation of the public, is in the best interests of the city and the public.

City's Response: The State Auditor's conclusion that the City does not consider if the proposed district, corresponding project and the resulting taxation of the public are in the best interests of the City and the public is incorrect. The State Auditor alleges that the City performs only a cursory review of the proposed districts to determine legal compliance, which is also incorrect. These false conclusions (1) do not take into account the economic and political differences among various local taxing districts and their corresponding projects, (2) significantly undervalue the economic modeling analysis performed by the St. Louis Development Corporation (SLDC), and (3) ignore the role of the public, the affected residents and property owners, and the City's elected Board of Aldermen in planning for and implementing local taxing districts.

Local taxing districts can be divided into "neighborhood level" and "site-specific" districts. Approval of legislation to create a neighborhood level district, such as a CID or SBD that encompasses an entire business district or several blocks, is the culmination of many months or even years of community planning and outreach. In contrast, site-specific CIDs and TDDs are usually associated with a single redevelopment project, that may have also undergone months or years of planning.

When legislation is finally introduced to create the neighborhood level district, the policy and political calculations have already been thoroughly analyzed by a critical mass of the affected residents and businesses and the sponsoring alderman. In these cases, City staff's role at the time legislation is being considered is largely to ensure legal compliance because the policy and political issues have been thoroughly vetted and resolved.

Site-specific CIDs and TDDs rarely exist without accompanying TIF or tax abatement for such projects. SLDC and City staff review proposed site-specific districts in connection with the other incentives because funding available from a district may be integral to the financial feasibility of the project or may reduce the need for TIF or tax abatement. SLDC has developed a detailed economic model to analyze requests to create local taxing districts in connection with other economic development incentives for projects over $1,000,000 (projects under $1,000,000 are unlikely to involve local taxing districts because of the costs of

forming and operating such districts). This model takes into account both the need for an incentive and estimated tax revenues expected to be available to the City and other taxing districts as a result of the project. If the project does produce the sufficient tax revenues, net of any incentives, in comparison to similar properties and in consideration of what is needed to adequately fund government services, the project and associated request to form a local taxing district will not be recommended.

The State Auditor concludes that merits of local taxing districts are not adequately taken into account as part of SLDC's analysis. The City disagrees. As noted above, the merits of a neighborhood level district are best evaluated as part of the community planning and outreach that occur prior to the introduction of legislation to create the district. The merits of a site-specific district cannot be evaluated in a vacuum; the City must evaluate whether the accompanying redevelopment project is in the best interests of the City. The SLDC analysis takes into consideration whether the requested incentive amount is necessary for the proposed project to be completed and whether the proposed project will, net of any tax incentives, generate sufficient taxes relative to what similar properties generate and what is needed by the City to fund governmental services.

Additionally, other aspects of the project may be reviewed by the City's Planning Commission and Preservation Board. If TIF is involved, the City's TIF Commission will also review the project. Due to the timing of when a developer actually closes on the purchase of property, a petition to create a site-specific CID or TDD may come months after TIF, tax abatement and zoning approvals. Without the context of these prior project approvals, the approval of a local taxing district may seem cursory, but, in reality, would be another step in a series of related project analysis and approvals, many of which occurred many months prior to the approval of the related local taxing district.

Finally, the City notes that it has 28 elected aldermen. In almost all cases, an alderman for a specific ward introduces the legislation for the creation of local taxing districts in his or her ward. Aldermen are routinely involved in the planning process of local taxing districts, either through participation in neighborhood groups or through consultations with developers wishing to undertake projects in an alderman's ward. If the alderman believes that a local taxing district is appropriate, it is then up to that alderman to convince a majority of his or her counterparts to approve the legislation. The ultimate determination of whether a thorough analysis of a proposed local taxing district has occurred is part of the sponsoring alderman's decision to introduce legislation and the other aldermen's decision to vote in favor or against the legislation.

Auditor's Finding: **This has resulted in developers establishing local taxing districts (LTDs) where the purpose of the district is not well defined, where it is questionable if the project is in the best interests of the public, and where multiple economic incentives and LTDs are approved on the same area. These LTDs overlap each other, resulting in the public paying significantly higher sales tax rates, while allowing the developer to also benefit from the use of Tax Increment Financing (TIF) and Tax Abatement (TA). For the purposes of this report, these districts will be referred to as layered incentive districts (LID).**

We identified 25 LIDs where two LTDs overlap, resulting in an additional 2 percent sales tax in these areas. The majority of these LIDs include a TIF, which redirects incremental sales and property taxes to the developer, or TA, which allows the property owner/developer to not pay additional property taxes as the value of the property increases as a result of the development.

City's Response: State law permits overlapping local taxing districts. Additionally, the use of overlapping districts on large development projects can reduce the need for TIF and tax abatement that burden city-wide taxing districts. Essentially, for a project that warrants assistance, the City and the proponent of the project must often determine whether it is better to place a heavier burden on the ultimate users of the project (through local taxing district sales taxes or assessments) or the City, the school district and other city-wide taxing districts (through more generous tax increment financing and tax abatement incentives).

The State Auditor's findings also criticize applying funds from taxing districts to TIF obligations. Not only does state law permit applying funds from local taxing districts to the payment of TIF obligations, it can speed up the repayment of those obligations (which allows for the termination of TIF at an earlier date – a significant benefit to the school district and other taxing districts).

Auditor's Recommendation:

We recommend the Board of Aldermen establish a comprehensive economic development plan that defines parameters for establishing and approving local taxing districts. In addition, the comprehensive economic development plan should establish thresholds on the number of districts approved and the amount of taxes to be collected.

City's Response: See discussion above.

2. Community Improvement Districts

2.1 Minimal public scrutiny when districts are formed

Auditor's Finding: **City officials allow CIDs to form and operate without adequate public scrutiny to ensure these districts are in the best interest of the public.**

The city does not perform adequate public scrutiny of the CIDs before allowing the CIDs to form and tax the public.

City's Response: The City complies with all requirements of the Community Improvement District Act, Sections 67.1401 to 67.1571, RSMo. (the "CID Act") regarding the formation of community improvement districts. As noted above, "neighborhood level" districts are often the culmination of years of community planning and outreach and "site specific" districts receive a comprehensive evaluation in concert with their accompanying development or redevelopment project.

Auditor's Finding: **[T]he city does not have procedures in place to hold the CIDs accountable when they fail to comply with state reporting requirements.**

City's Response: The CID Act does not provide an enforcement mechanism or a penalty if a CID fails to file budgets or annual reports with the City in a timely manner. State legislation to amend the CID Act to include an enforcement mechanism or penalty should be considered.

Auditor's Finding: **The city does not require district petition documents contain a well-defined purpose. While state law requires the petition to state the general purpose of the district, the estimated costs to be incurred, and the proposed length of time the district will be in existence, district petition documents do not always specifically define the district project. As a result, the city has allowed districts to form with vague purposes.**

City's Response: The State Auditor's findings conclude that the project descriptions in many of the petitions for the creation of community improvement districts were not well-defined. These project descriptions are almost always drafted by the proponents of the district and the City's review of a petition upon submission to the City ensures that all project descriptions meet the requirements of the CID Act.

Moreover, the City believes that many of these project descriptions are not vague when placed in the context of the larger project. Prior to legislation concerning the creation of a community improvement district, the Board of Aldermen will often have already considered legislation concerning TIF, tax abatement and zoning and will be well-informed about the overall project. Redevelopment agreements or cooperation agreements entered into in connection with overall project may have contractually limited the scope of the district project.

The City also believes that some districts, by their very design, are intended to exercise a wide array of powers under the CID Act and, accordingly, broad project descriptions have been purposefully included in the petition to create the district. Ultimately, these project descriptions are validated by the property owners signing the petition to create the district and the qualified voters approving the taxes and assessments for the district.

Auditor's Finding: **The city does not require anyone independent of the developer/property owner(s) to be on the board of directors if no registered voters reside within the district. While state law allows the city to dictate the make-up of the board before formation of the district, the city does not require independent representation prior to approving the petition. As a result, many of the district boards do not include anyone independent of the developer/property owner.**

City's Response: Under the CID Act, a member of the board of directors of a district must generally be the authorized representative of property owner or business owner within the community improvement district. The State Auditor suggests that these boards have "independent representation." It is not clear who would provide this independent representation. However, the City believes that, with respect to some districts, it is in the City's best interest to negotiate for the contractual right to have a property owner or business owner authorize a City

designee to serve on the board of directors. The City will continue to evaluate which proposed districts warrant this heightened level of public oversight. The City notes that this level of oversight (1) goes beyond the requirements of the CID Act and (2) due to limited City resources, is not practical for all districts.

The City further notes that, with respect to community improvement districts created in connection with TIF or tax abatement, redevelopment agreement terms will often provide limits on the duration or governance of the district. Enforceable contractual control over a developer or district can provide more effective oversight than designating one member of five-member board.

2.2 Lack of transparency

Auditor's Finding: **The city does not have procedures in place to ensure CIDs in the city provide annual budgets and annual performance reports as required by state law.**

City's Response: Under the CID Act, community improvement districts are separate political divisions or nonprofit corporations and are distinct, legal entities that are not part of the City. The CID Act does not provide the City with an enforcement mechanism to ensure each community improvement district within its boundaries submits a copy of its budget to the City within the timeframe required by the CID Act. Compliance is the responsibility of the community improvement district which is a separate and distinct political subdivision established under state law.

From time to time, the City Registrar, the Clerk of the Board of Aldermen and SLDC have received budgets from community improvement districts. The City will endeavor to create a central repository for these filings so that receipt can be more easily tracked.

Auditor's Recommendation:

We recommend the City of St. Louis:

2.1 Establish procedures to perform and document an evaluation of CID petitions to ensure a potential district is in the best interest of the public before adopting an ordinance establishing the district. Also, ensure the CID is structured in a way that provides independent oversight of CID activities.

2.2 Establish procedures to ensure CIDs are submitting annual budgets and annual performance reports to the city within the timeframe required by state law.

City's Response: See discussion above.

3. Transportation Development Districts

3.1 Minimal public scrutiny when projects approved results in public money for private assets

Auditor's Finding: **City officials do not review proposed TDD projects to ensure the project is in the best interest of the public. Additionally, they do not monitor TDDs to ensure the TDDs complete the projects as approved by the city.**

City officials do not scrutinize proposed TDD projects to ensure the project is in the best interest of the public or if the cost of the project is a prudent use of taxpayer funds.

City's Response: As permitted by the Missouri Transportation Development District Act, Sections 238.200 to 238.280, RSMo. (the "TDD Act"), almost all of the transportation development districts in the City have been created by a petition of the property owners within the proposed transportation development district filed with the Circuit Court. Although the City was served a copy of the petition filed in the Circuit Court, the City has limited control over the creation process. Under the TDD Act, transportation development districts are created as separate political subdivisions and are distinct, legal entities that are not part of the City. While the City believes it provides proper oversight of transportation development projects that affect public rights-of-way, the City understands the State Auditor's concerns regarding transportation development districts that do not affect public rights-of-way. The City has limited oversight abilities under the TDD Act and other law in connection with these projects, but will evaluate measures that can be taken with respect to future districts and projects.

The City further notes that state law specifically empowers the State Auditor to audit transportation development districts every three years. The City welcomes the State Auditor's statutorily-required oversight of the transportation development districts within its boundaries.

Auditor's Recommendation:

3.1 Establish procedures to perform an evaluation of proposed TDD projects and document their results to ensure the project is in the best interest of the public and the cost of the project is a prudent use of taxpayer funds before approval.

City's Response: See discussion above.

3.2 No oversight of district boards

Auditor's Finding: **The city has not appointed advisors to any of the TDD Board of Directors as required by state law.**

City's Response: As noted above, most of the transportation development districts in the City were created by petition of the property owners within those districts and, pursuant to the TDD Act, those property owners elect the board of directors for those transportation development districts. The TDD Act does permit the City to designate a person to serve as a non-voting advisor to the board of directors. However, for purposes of practical implementation, the provision of an advisor is dependent upon (1) the board of directors notifying the City of a meeting place and time in sufficient time for the City to identify the appropriate person to serve as advisor and (2) funding or other resources to allow the advisor, should he or she be an employee of the City, to advise the transportation development district in lieu of performing other job responsibilities. Even if an advisor did attend the

board of directors meeting, he or she, as a non-voting advisor, would still not have any authority to prevent or resolve the concerns raised by the State Auditor.

The City notes that, with respect to transportation development districts created in connection with TIF or tax abatement, redevelopment agreement terms will often provide limits on the duration or governance of the district. Enforceable contractual control over a developer or district can provide more effective oversight than appointing a non-voting advisor.

Auditor's Recommendation:

3.2 Establish procedures to ensure advisors are appointed to the TDD Board of Directors in accordance with state law.

City's Response: See discussion above.

4. Special Business Districts

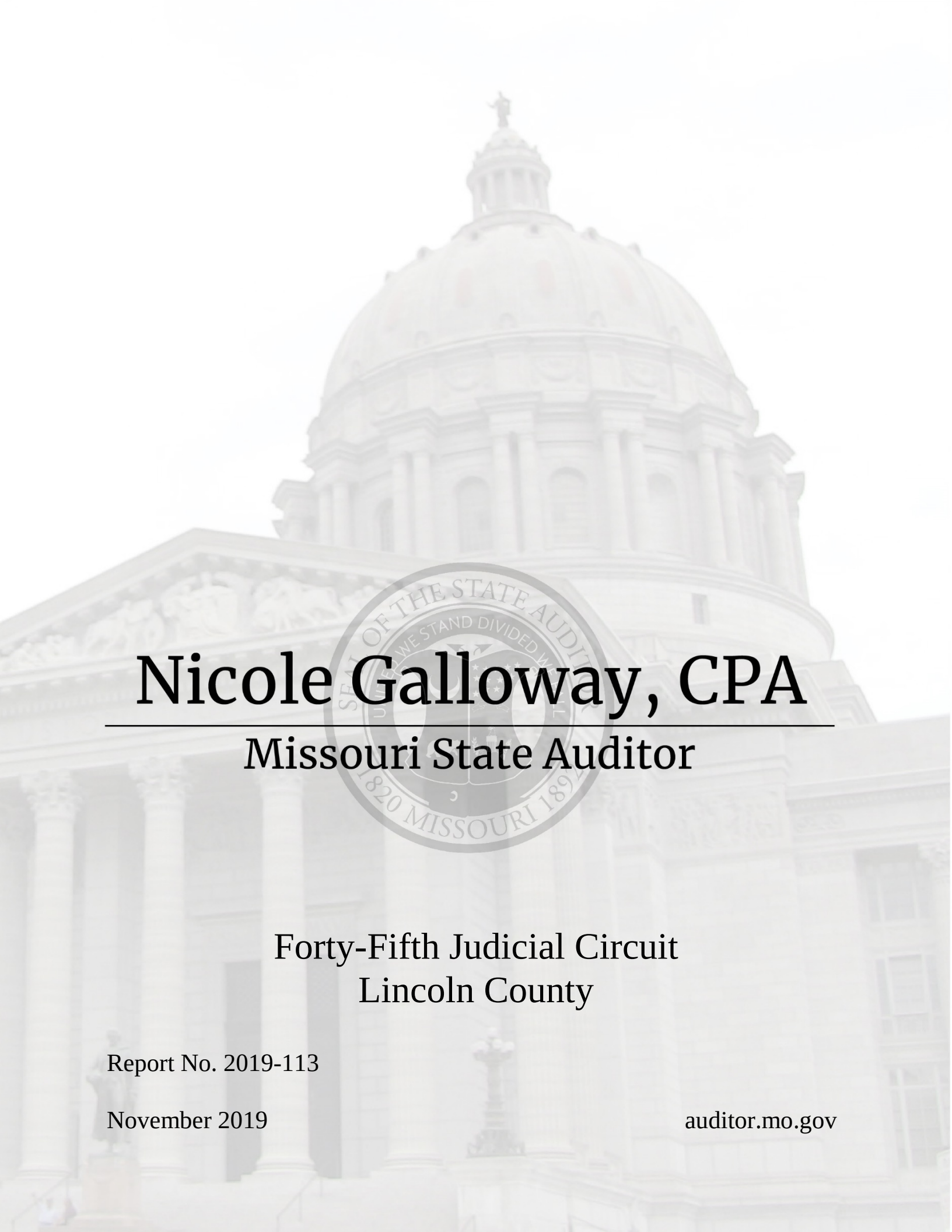
Auditor's Recommendation:

The City did not establish any of the 21 current SBDs in accordance with state law. We determined that the city did not perform a survey and investigation report for all of these SBDs as required by law (resulting in a general lack of transparency between the city, the district, and the public).

City's Response: The State Auditor alleges that the surveys and investigations required by Section 71.792, RSMo. were not prepared in connection with the approval of the SBDs. This is an untrue statement. SBDs are only created after extensive community planning and outreach. The ordinances approving the creation of the SBDs recite that surveys and investigations were performed and filed with the City Register as required by law. Aldermen and attorneys that were involved in the creation of some of the more recently-created SBDs clearly remember those documents existing. A search of the City Register's files and the files of persons involved in the creation of the SBDs has produced some, but not all of the actual survey and investigation documents. The City believes that the survey and investigation documents that it cannot locate were sent to the City Register, but have been misfiled over the course of several decades. The City will review its record-keeping policies to ensure that these documents are properly retained for any newly-created SBDs.

Sincerely,

Linda M. Martinez
Deputy Mayor for Development



Nicole Galloway, CPA

Missouri State Auditor

Forty-Fifth Judicial Circuit
Lincoln County

Report No. 2019-113

November 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Forty-Fifth Judicial Circuit Lincoln County

Disbursements	Significant weaknesses exist in the controls and procedures over the disbursements of the Circuit Clerk's office. The former Circuit Clerk made purchases from the Interest Fund that were not in compliance with statutory restrictions and did not maintain supporting documentation for some Interest Fund disbursements. The current Circuit Clerk did not have adequate controls and procedures over municipal fine receipts and disbursements.
Accounting Controls and Procedures	We identified significant weaknesses with accounting controls and procedures. The former Circuit Clerk did not adequately segregate accounting duties or perform adequate independent and/or supervisory reviews of accounting and bank records. The former and current Circuit Clerks did not perform monthly bank reconciliations for all bank accounts maintained by the office and supervisory reviews of bank reconciliations performed by the former Circuit Clerk for the general bank account were not always documented. The Circuit Clerk's office has not performed procedures to routinely follow up on outstanding checks. The office's accounting clerks are allowed to void monetary transactions without independent review or approval and no independent or supervisory reviews are performed for fee adjustments in the Judicial Information System (JIS). Periodic reviews of user access to data and other information in the JIS are not performed to ensure access rights are commensurate with job responsibilities and remain appropriate. The former Circuit Clerk did not maintain passport fees and report passport fee expenditures in accordance with state law.
Non-Judiciary Email	The current Circuit Clerk did not comply with OSCA electronic security policies.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Forty-Fifth Judicial Circuit
Lincoln County
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Forty-Fifth Judicial Circuit
Lincoln County, Missouri

We have audited certain operations of the Forty-Fifth Judicial Circuit, Lincoln County in fulfillment of our duties under Chapter 29, RSMo. Due to concerns regarding Interest Fund disbursements, the State Auditor initiated the audit. The scope of our audit included, but was not necessarily limited to, the 3 years ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.

2. Evaluate the court's compliance with certain legal provisions.

3. Evaluate the court's compliance with certain court operating rules.

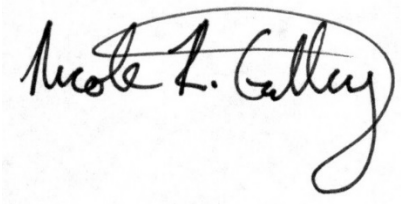
4. Determine if improper use of public resources occurred and, if so, quantify the amount to the extent possible.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Lincoln County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court operating rules, and (4) improper and/or unsupported disbursements totaling approximately $10,040. The accompanying Management Advisory Report presents our findings arising from our audit of the Forty-Fifth Judicial Circuit, Lincoln County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	Emily Barraclough, CPA
Audit Staff:	Catherine Pence

Forty-Fifth Judicial Circuit
Lincoln County
Introduction

Background

The Circuit Clerk's office collects various fines, bonds, garnishments, court costs, and other fees for Lincoln County. Monies collected by the Lincoln County Circuit Clerk's office totaled approximately $2,057,500 during the year ended December 31, 2018.

Grace Sinclair was elected Lincoln County Circuit Clerk in November 2006, took office in January 2007, and served as Lincoln County Circuit Clerk through December 31, 2018. Grace Sinclair is referred to as the former Circuit Clerk throughout this report. Karla Allsberry was elected Lincoln County Circuit Clerk in November 2018 and took office on January 1, 2019. Karla Allsberry is referred to as the current Circuit Clerk throughout this report. Patrick Flynn was elected Presiding Judge of the 45th Judicial Circuit in November 2018 and also took office on January 1, 2019.

From December 2018 to February 2019, 9 deputy clerks, including two clerks primarily responsible for accounting functions, left employment with the Circuit Clerk's office, causing a significant disruption to the operations of the office. On January 11, 2019, the Court en Banc voted to remove the current Circuit Clerk's appointing authority over all non-statutory state-paid positions assigned to the Circuit Court of Lincoln County and also removed her custodial duties over personnel records for the deputy clerks. The measure authorized the Presiding Judge to perform both functions formerly performed by the current Circuit Clerk. Three of the four circuit judges voted to approve the measure. Gregory Allsberry, Associate Circuit Judge Division 3 of the 45th Judicial Circuit and husband of Karla Allsberry, abstained from voting on the measure.

In March 2019, the State Auditor's Office (SAO) received complaints through its Whistleblower Hotline alleging possible fiscal mismanagement within the office of the former Lincoln County Circuit Clerk. The SAO conducted an initial review of these matters under Section 29.221, RSMo. After a review of the documentation and communications provided, the SAO determined an audit of the 45th Judicial Circuit Court-Lincoln County was warranted. The SAO began the audit of certain operations of the Circuit Court on May 20, 2019. The scope of our audit included, but was not necessarily limited to, the period of January 1, 2016, through December 31, 2018.

On May 28, 2019, Karla Allsberry was suspended from office and placed on administrative leave by Presiding Judge Patrick Flynn. The Presiding Judge appointed Dianne Doll as the temporary Circuit Clerk. Dianne Doll is referred to as the temporary Circuit Clerk throughout this report. On July 10, 2019, the SAO received a letter (see Appendix A) from the Missouri Attorney General's Office (AGO) requesting investigative assistance regarding public corruption allegations submitted to the AGO by Presiding Judge Patrick Flynn. As a result of the AGO's request for investigative assistance, we also performed limited procedures for the period of January 1, 2019, through June 2019.

1. Disbursements

Significant weaknesses exist in the controls and procedures over the disbursements of the Circuit Clerk's office.

1.1 Interest Fund

The former Circuit Clerk made purchases from the Interest Fund that were not in compliance with statutory restrictions and did not maintain supporting documentation for some Interest Fund disbursements.

The statutory purpose of the Interest Fund is to provide funding for the operation of the Circuit Clerk's office. The office's Interest Fund is maintained in a separate bank account and checks require only one signature without independent review. Expenditures from the Interest Fund from 2016 through 2018 totaled approximately $23,400. On December 28, 2018, the former Circuit Clerk transferred approximately $8,600 from the Interest Fund account into the Circuit Clerk's general bank account and closed the Interest Fund account. The former Circuit Clerk then disbursed $28,089 of accumulated interest proceeds and passport fees (see MAR finding number 2.6) from the Circuit Court's general bank account to Lincoln County's General Revenue Fund. The current Circuit Clerk reestablished the Interest Fund bank account on February 28, 2019.

We reviewed expenditures from the Interest Fund for the period of January 2016 through December 2018 and noted expenditures totaling $1,875 were unnecessary for the operations of the Circuit Clerk's office and not in compliance with state law. We also identified expenditures totaling $3,905 that were unsupported by adequate documentation, so it cannot be determined whether the expenditures were reasonable, necessary, and in compliance with state law. The former Circuit Clerk also wrote checks to herself from the Interest Fund totaling $4,260 for cell phone reimbursements. These cell phone reimbursements were not independently reviewed or authorized and adequate supporting documentation for the reimbursements was not maintained.

Unnecessary disbursements

Disbursements with supporting documentation identified as unnecessary for the operation of the court included:

- Purchases of t-shirts, tumblers, PopSockets, and Koozies for court employees totaling $986.
- Purchases of gift cards totaling $240 and food totaling $165 for employee recognition on "Secretary's Day." Gifts cards were provided to deputy clerks, the secretary to the Presiding Judge, and the drug court administrator.
- A $138 purchase of two engraved plaques for retirement gifts for two deputy clerks.
- Various purchases of utensils, plates, napkins, and food for the Justice Center kitchen totaling $240.

- Lunch for the former Circuit Clerk and other county officials totaling $106.

Unsupported disbursements

We noted other expenditures totaling $3,905 did not have supporting documentation. Without supporting documentation, we could not substantiate the purpose of the transaction or determine the specific items purchased. However, based on a review of the description written on the memo line of the checks and discussions with the former Circuit Clerk, some of the unsupported disbursements also appear unreasonable, unnecessary for the operations of the office, and not in compliance with state law. Disbursements without supporting documentation included:

- A $169 disbursement for t-shirts for the deputy clerks.
- A $262 disbursement to the former Circuit Clerk. The reason for the disbursement could not be determined.
- A $681 reimbursement to the former Circuit Clerk for lodging and meals for a conference in 2016.
- Two disbursements for office lunches totaling $200.
- A $154 disbursement to a restaurant in Troy, Missouri. The check's memo line did not indicate a purpose for the purchase.
- A $171 reimbursement check to the former Circuit Clerk for a Christmas lunch and gifts for the deputy clerks.
- A $20 check to the Lincoln Circuit Court for a cash shortage in a court deposit.
- Postage expenses totaling $1,420.
- Other items such as mileage reimbursements, meals, and kitchen supplies totaling $828.

Phone reimbursements

Beginning in June 2016 through November 2017, the former Circuit Clerk wrote 9 checks from the Interest Fund to reimburse herself for using her private cell phone for court business. These reimbursements totaled $4,260 and were for phone usage covering 120 months from January 2007 through December 2018.

The county's cell phone policy provides a listing of county officials and employees whose job duties were assumed to require cell phone usage. This listing includes two associate judges, but does not include the Circuit Clerk. Other officials and employees could submit requests to the county for monthly stipends for cell phone usage. During 2016, the Lincoln County Commission paid four cell phone stipends to the former Circuit Clerk totaling $480 covering the period of October 2015 through September 2016.

On November 27, 2017, the County Commission amended its cell phone policy to exclude officials and employees who were not on the county's payroll and were also not assumed to require cell phone usage from receiving the monthly stipends. The Circuit Clerk is not a county employee and was not

listed as an official requiring cell phone usage; therefore she became excluded from the county's cell phone reimbursement policy. However, the former Circuit Clerk wrote a check to herself in late 2017 for $420 for calendar year 2018 cell phone use. The check cleared the bank on November 27, 2017, the same day the County Commission amended the cell phone policy.

The former Circuit Clerk indicated she used the Lincoln County cell phone policy to determine the monthly stipend amounts but could not explain differences between the county's monthly stipend rates and the amount she reimbursed herself. For example, the county's policy in April 2012 set the stipend amount at $30 per month. However, on October 10, 2016, the former Circuit Clerk wrote a check to herself for $900 for cell phone usage during the years 2011, 2012, and 2013 at a rate of $25 per month. On November 10, 2016, the Circuit Clerk wrote another check to herself for $600. A handwritten note signed by the former Circuit Clerk indicates the check was to provide additional reimbursement for cell phone usage for the years 2011 through 2015. The amount represents reimbursement of an additional $10 per month for that period.

Other monthly rates used by the former Circuit Clerk ranged from $20 to $50 per month. No documentation was maintained to support the propriety of the amounts reimbursed. Also, in some cases, the reimbursements to herself were written significantly later than the stated reimbursement period. For instance, in June and October 2016, the former Circuit Clerk wrote three checks to herself to reimburse for cell phone usage for the years 2007 through March 2015 for a total of $2,460.

At other times, the former Circuit Clerk paid herself in advance of the reimbursement period. For instance, we noted that she wrote a check to herself in the amount of $735 in August 2017. No documentation was maintained to support the payment and no description was written in the memo line of the check. When we asked her about this payment, the former Circuit Clerk indicated the disbursement consisted of a $420 prepayment for calendar year 2018 cell phone usage, $72 for Justice Center kitchen supplies, and $243 for mileage and meal reimbursements. However, as previously mentioned, in November 2017 the former Circuit Clerk wrote a $420 check to herself for 2018 cell phone usage and was therefore paid twice for the same period. When we asked her about the duplicate payment, the former Circuit Clerk indicated the second payment was an oversight and immediately wrote a $420 check to the Lincoln County Circuit Court to reimburse the Interest Fund.

Conclusion

Section 483.310, RSMo, authorizes the Circuit Clerk to invest funds paid into the registry of the court. Income earned from these investments may be used by the Circuit Clerk to pay for bonds on employees, rent on safety deposit

boxes, court and state publications, and other expenditures of the Circuit Clerk's office.

Detailed supporting documentation improves the court's transparency and provides better documentation of the items purchased to ensure expenditures are reasonable and in compliance with statutory restrictions. Supervisory and/or independent review of disbursements helps ensure public funds are spent only on items necessary and beneficial to the court. County residents have placed a fiduciary trust in their public officials to spend public funds in a prudent and necessary manner. In addition, in situations where a public official is writing checks to himself or herself, in the interest of accountability and transparency, there should be clearly documented authority to receive the payments.

1.2 Municipal fines

The current Circuit Clerk did not have adequate controls and procedures over municipal fine receipts and disbursements. The Circuit Clerk's office records and receipts payments for state and municipal traffic tickets. Monies owed to the state and municipalities, based on the type of ticket, are normally disbursed by the Circuit Clerk's office on a monthly basis.

In January 2019, due to staff turnover, a deputy clerk was reassigned to record municipal traffic tickets. From January 1, 2019 through May 10, 2019, the deputy clerk incorrectly coded municipal traffic ticket fines as state traffic ticket fines in the Judicial Information System (JIS), the Missouri Courts automated case management system. This miscoding resulted in fines of $46,311 collected for municipal traffic tickets being erroneously disbursed to the state instead of the local municipalities.

The Circuit Clerk's office became aware of the errors in February 2019 due to inquiries from municipalities. However, the cause of the errors and the necessary correction was not determined until May 2019. The coding errors were corrected within JIS during May 2019. On May 22, 2019, the Circuit Clerk's office disbursed $45,546 due to the municipalities from state fees in order to correct the prior overpayments to the state. During our review, we noted these disbursements were $765 less than the errors identified. We discussed this issue with the temporary Circuit Clerk so it could be investigated further.

Other errors identified included an additional $1,108 of erroneously entered municipal traffic ticket collections during May 11, 2019 through July 21, 2019. In addition, the Office of State Courts Administrator (OSCA) identified municipal fines assessed of $5,795 were coded incorrectly for unpaid municipal tickets. Had payments been collected on these unpaid tickets, the coding error would have caused the monies collected to be similarly disbursed incorrectly. The temporary Circuit Clerk indicated the office is in the process

of correcting the coding errors and ensuring any related or subsequent payments are properly disbursed to the municipalities.

Adequate oversight of accounting functions helps ensure all transactions are accounted for properly. To ensure disbursements are appropriate, the Circuit Clerk's office should ensure the disbursement information is complete and accurate.

Recommendations

The Circuit Clerk:

1.1 Establish procedures to ensure Interest Fund disbursements are reasonable, necessary to the operations of the office, in compliance with statutory restrictions, sufficiently documented, and properly authorized. The Circuit Clerk should also ensure all disbursements receive supervisory and/or independent review.

1.2 Ensure adequate controls and procedures are in place to ensure coding of fines and fees and related disbursements are complete and accurate. In addition, the Circuit Clerk's office should ensure any concerns brought to the attention of the office are timely investigated and resolved.

Auditee's Response

The former Circuit Clerk's written response is included at Appendix B. The former Circuit Clerk was not requested to respond to finding 1.2.

The Presiding Judge and the temporary Circuit Clerk's written response is included at Appendix C.

The current Circuit Clerk's written response is included at Appendix D. The current Circuit Clerk was not requested to respond to finding 1.1.

Auditor's Comment

1.1 The former Circuit Clerk's response states the expenditures identified in the audit report were reasonable expenses of the Circuit Clerk's office. However, the purchases identified as unreasonable did not relate to items necessary for the operation of the Circuit Clerk's office and therefore are not in compliance with state law.

2. Accounting Controls and Procedures

We identified significant weaknesses with accounting controls and procedures.

Court records indicate receipts collected during the year ended December 31, 2018, totaled approximately $2,057,500. Fines, bonds, garnishments, court costs, and other receipts are collected; recorded in the JIS, and deposited into the Circuit Clerk's general bank account by the Circuit Clerk. In addition to the general and interest fund bank accounts, the Circuit Clerk's office

maintains a jury account, time payment account, supervised visitation account, juvenile victim compensation account, and family court account.

2.1 Segregation of duties

The former Circuit Clerk did not adequately segregate accounting duties or perform adequate independent and/or supervisory reviews of accounting and bank records. An accounting clerk's duties for the general bank account included receipting and recording payments, reconciling, and preparing and signing checks. In addition, the former Circuit Clerk prepared and signed checks for most of the other 6 bank accounts without independent review.

Thorough independent and/or supervisory reviews help ensure all assets are accounted for and adequately safeguarded. If proper segregation of duties are not implemented, documented independent and/or supervisory reviews of accounting and bank records are necessary.

2.2 Bank reconciliations

The former and current Circuit Clerks did not perform monthly bank reconciliations for all bank accounts maintained by the office and supervisory reviews of bank reconciliations performed for the general bank account were not always documented. The former Circuit Clerk indicated she reviewed the monthly bank reconciliations prepared by office personnel for the court's general bank account but these reviews were not always documented.

The current Circuit Clerk was put on administrative leave by the Presiding Judge on May 28, 2019. Prior to her suspension, the current Circuit Clerk had not reconciled any of the court's bank accounts since taking office in January 2019. The current Circuit Clerk indicated she had requested OSCA's assistance to complete the bank reconciliations. After the current Circuit Clerk's suspension, the temporary Circuit Clerk completed general account bank reconciliations for some months with the assistance of OSCA. As of July 11, 2019, the Circuit Clerk's office had completed the general account bank reconciliations for December 2018, January through March 2019, and May 2019.

Missouri Supreme Court Operating Rule 4.59 requires reconciling all bank balances and open items records at least monthly. Timely bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected timely. Thorough independent and/or supervisory reviews help ensure all assets are adequately safeguarded.

2.3 Outstanding checks

The Circuit Clerk's office has not performed procedures to routinely follow up on outstanding checks. As of May 31, 2019, 15 checks totaling $5,945 had been outstanding for more than a year, with some dating back to February 2018.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

2.4 Voided and fee adjustment transactions

The office's accounting clerks are allowed to void monetary transactions without independent review or approval and no independent or supervisory reviews are performed for fee adjustments in the JIS.

Voided monetary transactions entered by deputy clerks are reviewed and approved by the accounting clerk and the backup accounting clerk. However, no independent or supervisory reviews are similarly performed of voided transactions entered by the accounting clerks. Voided monetary receipts entered by the accounting clerks totaled approximately $211,000 during the 3 years ended December 31, 2018.

Also, no independent or supervisory reviews are performed for fee adjustments entered in the JIS by office personnel. Fee adjustments entered by personnel of the Circuit Clerk's office totaled approximately $345,000 during the 3 years ended December 31, 2018. Personnel with access to enter fee adjustments in JIS included 8 deputy and accounting clerks, the Circuit Clerk, the Presiding Judge's secretary, the Alternative Dispute Resolution Program Specialist, and the Treatment Court Administrator. As noted in section 2.5, 12 of the 16 JIS users had unlimited access within the JIS.

An independent and/or supervisory review and approval of voided transactions and fee adjustments is necessary to help ensure such transactions are appropriate and reduce the risk of loss, theft, or misuse of funds.

2.5 Periodic review of user accounts

Periodic reviews of user access to data and other information in the JIS are not performed to ensure access rights are commensurate with job responsibilities and remain appropriate. As a result, some court personnel have inappropriate access to initiate and modify transactions within the JIS.

We obtained a report from the OSCA of user accounts having access to the JIS as of December 2018. This report showed 12 of the 16 JIS users had unlimited access within the JIS and had the ability to process receipts, record and void transactions, process fee adjustments, prepare deposits, and print checks. Some of these users had significantly more access than required to perform their job responsibilities.

Periodic reviews of user accounts ensure the right type and level of access, corresponding to each user's job responsibilities, has been provided.

2.6 Passport fees

The former Circuit Clerk did not maintain passport fees and report passport fee expenditures in accordance with state law. In December 2018, the former Circuit Clerk transferred $4,244 of passport fees held in the Circuit Clerk's interest account to the County Treasurer for deposit in the county's General

Revenue Fund. In addition, the former Circuit Clerk did not provide statutorily required reports to the Presiding Judge and the OSCA.

Section 483.537, RSMo, states that the clerk of any state court who, by deputy or otherwise, takes or processes applications for passports or their renewal shall account for the fees charged for such service and for the expenditure of such fee in an annual report made to the presiding judge and the OSCA. Such fees shall be used only for the maintenance of the courthouse or to fund operations of the circuit court.

Recommendations

The Circuit Clerk:

2.1 Segregate accounting duties to the extent possible or ensure independent and/or supervisory reviews of detailed accounting and bank records are performed and documented.

2.2 Perform monthly bank reconciliations of all bank accounts timely and ensure supervisory reviews of bank reconciliations are documented.

2.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

2.4 Require an independent and/or supervisory review and approval of all voided transactions and fee adjustments made in the JIS.

2.5 Periodically review user access to data and other information resources within the JIS to ensure access rights are commensurate with job duties and responsibilities.

2.6 Ensure passport fees are maintained and reported as required by state law. To ensure compliance with statutory requirements, the Circuit Clerk should work with county officials to return the transferred passport fees to the Circuit Clerk's office.

Auditee's Response

The former Circuit Clerk's written response is included at Appendix B. The former Circuit Clerk declined to respond to findings 2.1, 2.4, and 2.5.

The Presiding Judge and the temporary Circuit Clerk's written response is included at Appendix C.

The current Circuit Clerk's written response is included at Appendix D. The current Circuit Clerk was not requested to respond to findings 2.1 and 2.6.

3. Non-Judiciary Email

The current Circuit Clerk did not comply with OSCA electronic security policies.

Upon taking office, the current Circuit Clerk used a private email address to register an online banking profile for the bank accounts maintained by the Circuit Clerk's office. This private email address, rather than an OSCA assigned email address, was registered with the bank from January 14, 2019, until June 7, 2019. The username of the private email address made reference to her public office. This private email address was also used to obtain online pricing information for jury summons envelopes. The pricing documents reflecting the private email usage were submitted to the county in February 2019.

OSCA Missouri Judiciary Electronic Information Security Guidelines Section 400.01 states that judiciary email shall be sent and received only through the judiciary user's official assigned email address.

Recommendation

The Circuit Clerk ensure email messages for court business are sent and received only through the judiciary user's official assigned email address.

Auditee's Response

The Presiding Judge and the temporary Circuit Clerk's written response is included at Appendix C.

The current Circuit Clerk's written response is included at Appendix D.

Auditor's Comment

The current Circuit Clerk's statement that audit staff refused to meet with her is misleading. Audit staff made no such refusal. At no point did the current Circuit Clerk indicate an in-person meeting was necessary to discuss the issues raised in her response. Audit staff received numerous document submittals, emails, and conducted extensive phone conversations with the current Circuit Clerk during the months of May, June, and July of 2019. In addition, audit staff met with the current Circuit Clerk on October 2, 2019, for more than 2 hours to discuss any concerns or questions regarding the audit report. During this meeting, the current Circuit Clerk did not submit any additional information regarding court operations that had not been previously communicated to audit staff.

Forty-Fifth Judicial Circuit
Lincoln County
Organization and Statistical Information

The Forty-Fifth Judicial Circuit consists of Lincoln County as well as Pike County.

The Forty-Fifth Judicial Circuit consists of 1 circuit judge and 3 associate judges. The circuit judge hears cases in Lincoln and Pike counties. Of the 3 associate circuit judges, 2 are located in Lincoln County and 1 in Pike County. Circuit personnel located in Pike County are not included in the scope of the audit.

Personnel

At December 31, 2018, the judges and Circuit Clerk of the Forty-Fifth Judicial Circuit, Lincoln County, were as follows:

Title	Name
Circuit Judge[1] [2]	Chris Kunza Mennemeyer
Associate Circuit Judge[1]	James D. Beck
Associate Circuit Judge[1]	Gregory K. Allsberry
Circuit Clerk[3]	Grace Sinclair

[1] The Circuit Judge, and Associate Circuit Judges Beck and Allsberry are located in Lincoln County but also hear cases in Pike County.
[2] Patrick Flynn replaced Chris Mennemeyer as Circuit Judge in January 2019.
[3] Karla Allsberry replaced Grace Sinclair as Circuit Clerk in January 2019. On May 28, 2019, Judge Flynn placed Karla Allsberry on administrative leave and appointed Dianne Doll as the temporary Circuit Clerk.

In addition, the Forty-Fifth Judicial Circuit, Lincoln County, employed 18 full-time employees and 3 part-time employees on December 31, 2018.

Financial Information

Receipts of the Forty-Fifth Judicial Circuit, Lincoln County, were as follows:

	Year Ended December 31, 2018
Court deposits, fees, bonds, and other	$2,034,892
Interest income	22,656
Total	$2,057,548

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Forty-Fifth Judicial Circuit, Lincoln County, were as follows:

	Year Ended June 30, 2018
Civil	2,364
Criminal	3,905
Juvenile	164
Probate	232
Total	6,665

MISSOURI ATTORNEY GENERAL
ERIC SCHMITT

July 10, 2019

Missouri State Auditor's Office
Public Corruption and Fraud Division
c/o Pamela Allison
PO Box 869
Jefferson City, MO 65102

Re: Public Corruption Complaint by Judge Patrick Flynn

Dear Ms. Allison,

The Missouri Attorney General's Office is requesting investigative assistance regarding public corruption allegations submitted to our office by Lincoln County Presiding Judge Patrick Flynn. His complaint relates to the suspected waste of public resources by the Lincoln County Circuit Clerk, Karla Allsberry. I am enclosing some of the documentation we have in the matter.

If you have any clarifying questions regarding Judge Flynn's complaint, I will make myself available.

Thank you for your assistance in this matter.

Respectfully,

Steven M. Kretzer
Assistant Attorney General

Cc:Lauren Oliver
Enclosures

Supreme Court Building
207 W. High Street
P.O. Box 899
Jefferson City, MO 65102
Phone: (573) 751-3321
Fax: (573) 751-0774
www.ago.mo.gov

Auditor's Note

The documentation referenced in this letter did not relate to the specific allegations of Presiding Judge Patrick Flynn's complaint.

October 16, 2019

Nicole Galloway, CPA
Missouri State Auditor

Re: Auditees response

Dear Auditor Galloway,

You have provided me with a draft of your Management Advisory Report. At your request, I'm providing my response to some of your specific findings.

1.1 Interest Fund
I disagree with the report that the disbursements from the Interest Fund were unreasonable expenditures of the Circuit Clerk's Office.

a. Cell Phone- The Circuit Clerk is on-call 24 hours a day, seven days a week. As Circuit Clerk I would be called after hours to discuss protection orders, warrants, and involuntary commitment petitions. I believe a partial cell phone reimbursement is an expenditure of the Circuit Clerk's Office.

b. Purchases were made for Circuit Court employees. I do believe these fall into expenditures of the Circuit Clerk's Office. State of Missouri employees are the lowest paid in the nation. These purchases/gifts helped build moral and showed an appreciation for the dedication in the employees of the Lincoln County Circuit Court. Some of these expenditures were used for jury meals and supplies. I do not agree that the expenditures were unreasonable. The interest money was turned over to the County of Lincoln in 2018. The County is responsible for providing a yearly operating budget for the Circuit Clerk's Office.

2.2 Monthly bank reconciliations were performed for the general bank account (JIS).

2.3 The Circuit Clerk's Office has in the past followed up on outstanding checks. Unclaimed funds were turned over to the Mo. State Treasurer at least yearly.

2.6 The Circuit Clerk's Office stopped processing Passport Applications in 2007/2008. I was unaware that the fees on deposit had to be reported.

Sincerely,

Grace Sinclair

C: Joshua Allen, Audit Manager
Emily Barraclough, Staff Auditor

45TH JUDICIAL CIRCUIT – LINCOLN and PIKE COUNTIES

PATRICK S. FLYNN
PRESIDING JUDGE

Lincoln County Justice Center
45 Business Park Drive
Troy, Missouri 63379

Kathy Hall
PRESIDING JUDGE SECRETARY
636.528.7147 Telephone
636.528.9168 Facsimile

Wendy Boedeker
ADR PROGRAM SPECIALIST
636.528.6300 x4247

October 24, 2019

Nicole Galloway, CPA
Missouri State Auditor

Re: Auditees Response – Management Advisory Report
Forty-Fifth Judicial Circuit – Lincoln County

Dear Auditor Galloway:

We are in receipt of your draft of your Management Advisory Report. The professionalism and thoroughness of your staff, Joshua Allen and Emily Barraclough, were exemplary in light of the circumstances surrounding the audit.

At your request, we are providing our response to your specific findings. For clarity, our response will be in the same order and with the same numerical identification which you have chosen in your report.

RECOMMENDATIONS – AUDITEE'S RESPONSE

1.1 Procedures will be implemented to comply with the statutory requirements of 483.310 pursuant to the Auditor's recommendations.
(The Missouri State Legislature needs to amend 483.170 to define the term "other expenditures", due to its vagueness.)

1.2 Procedures have been implemented to ensure coding is complete and accurate pursuant to the Auditor's recommendations.

The malfeasance, misfeasance and nonfeasance of the Circuit Clerk Karla Allsberry in addressing the multiple demands of the municipalities for the monthly disbursement will not be repeated by any Circuit Court Employees. A personal apology for the actions of the Circuit Clerk has been made to each of the municipalities by the Presiding Judge.

2.2 Procedures have been implemented to perform monthly bank reconciliations of all bank accounts timely and ensure supervisory reviews of bank reconciliations are documented pursuant to the Auditor's recommendations.

2.3 Procedures will be implemented to address outstanding checks pursuant to the Auditor's recommendations.

2.4 Procedures have been implemented to address all voided transactions and fee adjustments made in JIS pursuant to the Auditor's recommendations.

2.5 Procedures have been implemented to periodically review user access to data and other information resources within JIS pursuant to the Auditor's recommendations.

2.6 Passport fees are no longer collected by the Office of the Circuit Clerk. Procedures will be implemented to ensure fees are maintained and reported pursuant to the Auditor's recommendations. Upon the public release of this report by the Auditor, the Temporary Circuit Clerk will work with the county officials to return the transferred passport fees.

3. The malfeasance, misfeasance and nonfeasance of the Circuit Clerk Karla Allsberry in conducting official court business, retaining bank records and operating the Court's bank accounts and corresponding through her private email server, circuitclerklc@gmail.com, was limited to her. The Temporary Circuit Clerk has re-routed all matters known at this time to the appropriate and official OSCA issued court email addresses. Upon notification by investigatory authorities outside this audit of other violations of Court Operating Rules the Temporary Circuit Clerk will re-route those matters not known at this time.

If there is any further information or assistance we can provide in preparing the conclusion of this audit, please advise.

We remain in fact, truth, protocol and respect –

Sincerely,

Dianne Doll
Temporary Circuit Clerk

Patrick S. Flynn
Presiding Judge
Forty-Fifth Judicial Circuit

cc: Joshua Allen
Emily Barraclough

Karla Kerpash Allsberry
Duly Elected Lincoln County Circuit Court Clerk
Karla.Allsberry@courts.mo.gov

October 18, 2019

Nicole Galloway, CPA
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

RE: Audit Response to the Audit Report of the 45th Judicial Circuit of Lincoln County

Dear Missouri State Auditor Nicole Galloway:

When I ran for the office of Circuit Clerk in 2018, one of my campaign promises was to secure an audit of the Circuit Clerk's office. The former Circuit Clerk and her supporters, including current Presiding Judge Patrick Flynn, insisted that an audit was not necessary. Judge Flynn went so far as to tell me that he would never permit an audit. Soon after I took office in January, 2019, I became aware of financial issues in the Circuit Clerk's office that were extremely concerning to me. Consequently, I am delighted that the Missouri State Auditor's Office decided to conduct this audit of the 45th Judicial Circuit Court in Lincoln County.

On May 28, 2019, as I sat at my desk preparing documents in response to your office's request for information, Presiding Judge Flynn appeared in my office doorway and told me to immediately leave the building. He handed me a letter telling me that I was "temporarily on administrative leave" and that my access to the Justice Center was "suspended" until further notice. Armed deputies were present to escort me out of the building under threat of force. In your report, you refer to me as "suspended" from office. This is not accurate. One elected official cannot "suspend" another elected official from office, in the manner that Judge Flynn has attempted to do. He has blocked me from access to the tools necessary to perform my job – the computer, the court files and records, my office and the Justice Center etc. – but I am still the duly elected Circuit Clerk.

Some people have responded to Judge Flynn's actions by assuming that I must have done something that justified him placing me on "administrative leave." Your audit report makes clear that the accounting and other problems that existed in the Circuit Clerk's office existed long before I assumed office. It should also be clear to all readers that, as a result of Judge Flynn's actions in January and February, 2019 that constructively discharged the only remaining accounting deputy clerk and that prevented me from hiring deputy clerks to fill open positions, it

1

was impossible for me to adequately address these problems during my brief time on the job between January 2 and May 28, 2019. Please see my letter to Judge Flynn and others dated January 25, 2019, Attachment #3, wherein I called to Judge Flynn's attention the serious accounting problems that his actions were causing.

In the draft report that you provided for my review and response, you redacted significant sections of the report. Unfortunately, I do not see in the draft report a detailed analysis of some very serious financial irregularities that occurred before I took office. In particular, in the draft report that you provided to me, you failed to adequately address the voided monetary receipts entered by the accounting clerks during the 3 years before I took office. As you pointed out, these voided receipts totaled approximately $211,000. I hope that you did look into these matters and that you have addressed them in those sections of the draft report that you have chosen not to provide to me. This is my response to those portions of the draft report that you have provided to me:

1. Disbursements.
The introductory sentence and Section 1.1 are redacted entirely from the draft report you provided to me, so I cannot respond to them. Section 1.2 addresses municipal fines. Recommendation 1.1 is redacted entirely.

Recommendation 1.2 recommends that adequate controls and procedures be put in place and that concerns be timely investigated and resolved. I share your concerns. However, on January 11, 2019, Circuit Judge Flynn, Associate Circuit Judge Jim Beck, and Associate Circuit Judge Milan Berry took appointing authority away from me and gave it to Presiding Judge Flynn. This means that, since the evening of January 11, 2019, I have lacked the ability, not only to hire deputy clerks, but also to assign them their day-to-day functions. See attachments #4 and #6. This is so because of the manner in which Judge Flynn has wielded his appointing authority. In many ways, Judge Flynn regularly reminds the deputy clerks that they answer to him only, and not to me. The deputy clerks work under the constant threat of being suspended or discharged if they do not display sufficient loyalty and adoration toward Judge Flynn. He has turned the Circuit Clerk's office into a political patronage office where the main qualification for employment is loyalty to him. (See Lori Russell's affidavit, Attachment #1, describing the manner in which Judge Flynn, on January 23, 2019, terrorized her when she resisted his attempt to cross-examine her regarding her affiliation with me. Ms. Russell was the sole remaining deputy clerk who had accounting function skills and ordering supplies.)

As further evidence of this, Judge Flynn recently terminated the employment of a deputy clerk who was doing an excellent job, but who did not display sufficient loyalty to "Team Flynn", in furtherance of the hostile work environment that Judge Flynn has created. (See Windy Harper v. Judge Patrick Flynn et al., 19L6-CC00130.) This is the same deputy clerk whom I hired and whose first day on the job was January 11, 2019. On her very first day on the job, in front of the entire office, (even before he had taken over appointing authority), Judge Flynn announced that I did not have the authority to hire Ms. Harper and, on the next day business day, he placed her on "administrative leave" for no reason other than I was the one who had hired her.

As a result, the deputy clerks take directions only from Judge Flynn or his designees, and not from me. He has made himself the *de facto* Circuit Clerk. Despite the admonition of Judge Steven Ohmer, chairman of the Supreme Court's Circuit Court Budget Committee, in February 2019 telling Judge Flynn to allow me to perform my statutory duties of running the day-to-day functions of the Circuit Clerk's office, Judge Flynn has consistently refused to do so.

You write that "the current Circuit Clerk did not have adequate controls and procedures over municipal fine receipts and disbursements. " This was due largely to the fact that Judge Flynn has blocked my access to the computer and any authority over the deputy clerks to the point that I cannot adequately oversee or supervise or control the work that the deputy clerks are doing. He consistently acts as their immediate supervisor. I discuss this problem in greater detail below. Also, see attachment #6.

You write that "the Circuit Clerk's office became aware of the errors [regarding municipal disbursements] in February 2019 due to inquiries from municipalities." This is not accurate. Although we received inquiries from one or more municipalities, we were not aware of errors being made. Several times, I asked the deputy clerks to double-check and to make sure they were processing tickets and using coding correctly. More than once, I contacted an OSCA accountant asking for assistance in evaluating this concern. After the deputy clerk whose error caused the improper municipal court disbursements brought her error to my attention on May 13, 2019, I took immediate action, created an OSCA help desk ticket, and worked with the OSCA accounting department to put a plan into place that successfully and quickly resolved the problem before the end of the month.

2. Accounting Controls and Procedures.
Section 2.1 – this section is completely redacted from my view.
Section 2.2 – Bank reconciliations
Section 2.3 – Outstanding checks
Section 2.4 - Voided and fee adjustment transactions
Section 2.5 – Periodic review of user accounts
Section 2.6 – this section is completely redacted from my view.

Response: Regarding the four recommendations that you have provided to me, I share your concerns. In fact, during my time in my office between January 1 and May 28, when Judge Flynn had me removed from the building by armed deputies, I attempted many times to address these issues. I spent a great deal of time on the phone with the OSCA accounting department in my efforts to oversee the financial function of the office. However, as I have stated, Judge Flynn removed my appointing authority on the evening of January 11, 2019. Twelve days later, he constructively discharged the only remaining deputy clerk, Lori Russell, who had knowledge of accounting functions in the office and ten years of experience. We were at the time, and continued to be, short-staffed, yet I had no ability to hire or to assign duties after January 11. I would attempt to assign duties to deputy clerks only to have Judge Flynn un-assign these duties – and he would often harass me over the assignments I had made. Please see Judge Flynn's email to me dated May 3, 2019, Attachment #4. This is just one example of the many times and ways

in which Judge Flynn micromanaged the function of the Circuit Clerk's office down to the smallest details, including but not limited to staff training, assigning financial accounting duties, and approving personal leave time. The citizens of Lincoln County elected me as Circuit Clerk, not Judge Flynn, to handle these matters.

Judge Flynn has granted security point of contact to his secretary and to one of the deputy clerks, though not to me, a fact that you fail to mention in your report. This is ***extremely*** significant because it means that Judge Flynn has blocked me from the computer access that I need in order to adequately oversee, assign and control financial and accounting activities of the deputy clerks. From my very first day on the job, January 2, 2019, Judge Flynn refused to allow me to be one of the security point of contacts for the Circuit Clerk's office. On January 9, 2019, I put my request to Judge Flynn in writing. See Attachment #5. He responded by issuing, the very next day, an administrative order dated January 10, 2019, Attachment #2, designating his own secretary and one of the deputy clerks (but not me) as security point of contacts. I repeatedly requested the access that I need. Most of these requests were ignored or denied. No Circuit Clerk in the State of Missouri can adequately perform his or her statutory oversight duties without adequate computer and security access – and in Lincoln County, this access is completely controlled by Judge Flynn. This is a glaring omission from your audit report.

In your audit report, you point out that 12 of the 16 JIS users had unlimited access with the JIS and had the ability to process receipts, record and void transactions, process fee adjustments, prepare deposits, and print checks. You recommend that a review be performed to ensure that the right type and level of access has been provided. I did not set things up this way. I knew from my circuit clerk training that this was not the correct way to set up the office, yet I have no ability to correct the problem. I expressed the same concerns to Judge Flynn. My concerns were disregarded. One of the great frustrations that I have had as the elected Circuit Clerk is that Judge Flynn has consistently prevented me from setting up and running the office in the efficient and proper manner that it should be run.

3. Non-judiciary email.
Response: I was not aware of the electronic information security guideline regarding email accounts when I took office. Even my OSCA-assigned mentor clerk, the longtime Circuit Clerk in Phelps County with whom I regularly confer, was not aware of this obscure guideline. To my knowledge, the guideline and its contents were never brought to my attention until after Judge Flynn barred me from entry into the Justice Center. I set up the email account because OSCA had not set up my email account properly at the beginning of my term. OSCA misspelled my name and my last name was incorrectly shown as being hyphenated. For this reason, I set-up a gmail address. It was used as a bank login (username) to download bank statements to my official work computer in my office. No banking transactions involving the movement of funds were made using this gmail account or any email account. I established online logon access of the Circuit Clerk's general bank account for the OSCA accounting staff so they could have access the bank records they needed to assist the Circuit Clerk's Office in a variety of accounting needs, including but not limited to clearing deposits, bank reconciliation, JIS computer training,

data input and other types of training and assistance. I requested accounting assistance from the OSCA accounting department many times and was transparent with banking records. To my knowledge, no information was disclosed to unauthorized persons as a result of my very limited use of this email address. I only set up this email because OSCA did not properly set up my official email at the beginning of my term. This issue has now been resolved. I will send and receive emails only through my official email address in the future. (Please note that since my removal from the Justice Center, I have not had access to my official court email Karla.Allsberry@courts.mo.gov. The State Auditor's office has used a non-judiciary email address to contact me. Upon my inquiry, the Auditor's office has authorized me to submit this response using a private email.)

The audit report states that a private email was used to obtain online pricing for jury summons envelopes. I believe this statement is misleading. To clarify, I did nothing more than to download and to print an updated order form from the United States Postal Service website so that the Circuit Clerk's office could submit an accurately priced purchase order request to the county, so that the county could issue a check payable to the United States Postal Service for envelopes with forever stamp postage and the Circuit Clerk's official name and return mailing address of 45 Business Park Drive, Troy, MO 63379 be imprinted. The form used to purchase the jury summons envelopes happened to list pricing. I simply downloaded this form to make sure the pricing was current to ensure the county issued check was the correct amount. I did not use this email address to conduct any financial transactions or bidding.

(Please note: Lori Russell, the accounting clerk with 10 years of experience whom Judge Flynn ordered off the premises on January 23, 2019 was the only deputy clerk who knew the county's process of ordering supplies for the office. I immediately had to take over the task of ordering office supplies, in addition to all of my other duties. Initially, I did not have access to all the forms needed to order urgently needed supplies. Upon taking office, I noticed that many important office supplies including postage appeared to be close to depletion.)

Appendix A.

July 10, 2019 letter from Steven Kretzer, Asst. Attorney General, to Missouri State Auditor's Office.

Response: Although the letter notes that Judge Flynn has made allegations against me regarding "public corruption" and regarding "the suspected waste of public resources by the Lincoln County Circuit Clerk, Karla Allsberry", your audit report does not mention any evidence of either public corruption or of waste of public resources by me. I regard your audit report as confirmation that no evidence exists to support these false and libelous allegations that Judge Flynn has made against me. In addition, upon information and belief, the Missouri Attorney General has concluded that Judge Flynn's allegations are without merit.

I am disappointed and concerned, however, that your office has failed to examine the waste of public resources by Judge Flynn, in appointing a "temporary circuit clerk" at significant

additional expense to the taxpayers, when appointment of a temporary circuit clerk was completely unnecessary. Why appoint a "temporary circuit clerk" – with a substantial increase in pay – when the duly elected Circuit Clerk is ready, willing and able to perform her duties? Is this not a waste of public resources? As a taxpayer and as an elected official, I am greatly disturbed by this. I am also disappointed that your audit staff refused to meet with me in person while the audit was being conducted. According to information your staff relayed to me, I was the only person involved in the audit whom you refused to meet with in person while the field audit was being conducted.

I will also add with great concern that it has been reported to me that large numbers of documents and files have been shredded and destroyed by Presiding Judge Patrick Flynn and his secretary during the time period that Judge Flynn has barred me from entering into the Circuit Clerk's office. On May 28, 2019 when Judge Flynn verbally ordered the deputies to remove me from the building he also instructed the deputies to get the keys to my desk from me. There were important financial records locked in my desk that related to the audit you were conducting.

Respectfully Submitted,

Karla Kerpash Allsberry

Karla Kerpash Allsberry

Duly Elected Lincoln County Circuit Court Clerk

Cc: Senior Auditor: Douglas J. Porting, CPA, CFE

Audit Manager: John Allen, CPA, CGAP

In Charge Auditor: Emily Barraclough, CPA

Audit Staff: Catherine Pence

Attachments:
1. Lori Russell Affidavit (eight pages total)
2. Flynn administrative order dated January 10, 2019 (one page total)
3. Karla Allsberry letter to Judge Flynn and others dated January 25, 2019 (one page total)
4. Flynn email to Allsberry dated May 3, 2019 (one page total)
5. Karla Allsberry request to Flynn dated January 9, 2019 (one page total)
6. Karla Allsberry's email to Judge Flynn dated May 23, 2019 (one page total)

Attachment #1

STATE OF MISSOURI)
) ss.
COUNTY OF LINCOLN)

AFFIDAVIT OF LORI RUSSELL

LORI RUSSELL, of lawful age, upon first being duly sworn, upon her oath states and deposes that she is in all ways competent to testify admissibly in a court of law to the following facts based on her personal knowledge thereof, and that they are true, accurate, and correct, to the best of her information, knowledge, and belief:

1. That Affiant, LORI RUSSELL, I was a Court Clerk for Lincoln County Circuit Court for over ten years until I very reluctantly submitted my resignation on February 6, 2019. Below is my account paraphrasing what happened on January 23, 2019, when I was put on administrative leave by Presiding Judge Patrick Flynn.

2. I arrived upstairs at Judge Flynn's office for a meeting in which I was led to believe, after talking to him earlier that day, we would be discussing accounting. Kathy Hall, his secretary, was also present. Karla Allsberry had asked to come to the meeting but was told no by Judge Flynn.

3. The meeting started by Judge Flynn talking for about the next ten minutes or so while I just sat and listened. He talked about the recent en banc meeting in which Karla Allsberry was stripped of her Circuit Clerk appointing authority and why he felt it was necessary to do—for the good of the Circuit Clerk's office. He talked about the Supreme Court ruling and said that it was not an uncommon practice what happened to

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Karla. I believed there were other things he talked about in support of him taking away Karla's appointing authority, but the above is what I remember clearly.

4. At this point I was feeling confused as to why he was telling me all this when I thought we were going to discuss accounting. I had told him that morning that I had concerns about falling behind and he said he was meeting with everyone individually to allow them to discuss their concerns and had asked me if I would be available later that day, which is today. So I was just waiting for him to start discussing accounting with me.

5. I just sat and listened still. He mentioned the former Circuit Clerk, Grace Sinclair, and said although she was very knowledgeable about the Courts, she was very bad at managing her people when it came to conflicts amongst them. In a matter of fact tone, he told me he will not tolerate bad behavior or any conflict between the clerks while he is the Presiding Circuit Judge.

6. He told me he was notified that I had suddenly abandoned the office by leaving the building the prior day. He asked very sternly why I would do that when we were short handed. I said I didn't abandon the office, that I wasn't feeling good. He said he was told by the girls I left because I was stressed. I said, yes, that's also correct Judge. I told him in a very respectful and truthful manner that I have been extremely stressed with the workload because we've had half of our clerks quit and we've all been working hard to keep things going and it is very stressful for all of us clerks right now. I told him with the accounting manager also being gone now, I'm doing her job too—and trying to keep up. But I also have not been feeling good. I told Judge Flynn that I felt

like I needed to leave quickly yesterday as I was going to be sick. I told him that I did tell the other clerks I was leaving and I also got the okay from Karla Allsberry. Right after I told him that, he asked me in a very authoritative tone, "whose your appointing authority?" I said, you are. I then told him that I did let Kathy Hall (payroll) know this morning when I saw her in the clerks office that I left early the prior day and told her why. I turned to Kathy right then and she nodded in agreement. I believe I told him there has been a lot of changes and I thought by telling Karla, I didn't think it was a big deal considering I had to leave so quickly. We've always just told the Circuit Clerk in the past. At this time, I felt it best that I just acknowledge the mistake and apologize, so that's what I did and said it wouldn't happen again. I did ask him if there had been any emails or other correspondence letting us clerks know we needed to do anything different besides telling the Circuit Clerk. I don't remember if I got an answer to that or not. Still, at this time, I was hoping we could move on to discussing accounting.

7. Judge Flynn then asked me why I was in Karla Allsberry's office with the door shut. I was confused as to why he would ask me that but I told him we were just talking. He asked but why was the office door shut. He seemed very fixated on why we would have the office door shut so I told him that its not uncommon for Karla to shut the door sometimes when clerks come in to talk to her. He asked what we were talking about. I said, just work. He said what else did you talk about. I thought for a moment and said again, just work stuff. I could see by the look on his face, he was getting frustrated with my answers. He asked me if Karla had discussed with me anything that

was said at a prior meeting she had with him. He didn't say specifically what he was talking about, and at the time I wasn't sure what he was talking about. I told him I couldn't remember, but also said that Karla and I talk about any number of work related things on any given day. It felt like he wasn't satisfied with my answers and was getting more frustrated with me. I was still trying to think about specific work stuff Karla and I had discussed but I was feeling very stressed and my mind just went blank so I just finally said, I couldn't remember what specifically Karla and I talked about but I do know it was work related. He asked if Karla had told me anything that upset me that morning and I said, no. He wasn't being specific and it felt like he was trying to toy with me. During this meeting he also mentioned how I seem to support Karla. I thought this was an odd thing to say but I told him of course I did, she's my new boss, I told him I also supported Grace too when she was in office. I remember just finally telling him I thought he brought me up here to talk about accounting.

8. By this time, it started to become very clear to me that his goal was not to discuss accounting with me. Due to the fact that I felt like I'd already answered his questions as best as I could and I didn't want to be put through anymore, I told him I was sorry but I felt like I've answered his questions and don't feel comfortable continuing and I got up and started to walk into the next adjoining room where the door was to leave. He then warned me not to leave and I saw he was getting out paperwork on his desk. I think he told me if I left that something was going to happen which I later found out he was putting me on administrative leave. But I don't recall him saying this as I was leaving.

He later said he did, but I don't recall. At this point I knew I just wanted to get out of there as fast as I could. I was feeling very tricked into attending a meeting where I thought the subject matter was going to be about accounting and how we could make improvements and instead I felt very mistreated and cross-examined by him throughout the whole meeting.

9. As I was going down the stairs back to the clerks office, I was overcome with extreme emotion about what just happened. I started crying and felt I couldn't go back to my cubicle to continue working just yet so I knocked on Karla Allsberry's door. She could see I was upset right away and let me in and closed the door. I told her that I wished I could have had her there at the meeting now. She had me sit down and started trying to console me.

10. A minute or so later, there was a knock at the door and we could see through the window that it was Judge Flynn. Judge Flynn then told Karla that I was being put on administrative leave. He tried to talk to me through the door a few times but I told him I didn't want to talk to him and that I was afraid of him. Karla asked him why I am being put on administrative leave and he said she walked out of a meeting with the presiding judge. At one point I told him I thought he was being disrespectful to me at the meeting in which he responded by asking Kathy Hall if he was. She said no, in which I then said to her that she was a liar. Karla told Judge Flynn that she was in a meeting with me and asked him to please leave. Judge Flynn had had his foot in the door and wouldn't let Karla close it. He announced again that I was being put on administrative leave and I

needed to get my stuff, turn in my key and leave the building. I told him I would do that if he moved away from the door so I could get through. He was blocking the doorway. I again told him that I was scared of him. He announced again that I would need to turn in my key and leave the building immediately or he would call the deputies and have me escorted out. During this time in Karla's office, I tried to comply and tell him if he would leave that I had no problem leaving. I asked him a few separate times to please move away from the doorway and I will leave, but he wouldn't move. Karla asked him as well. A few moments later, the deputy came. I heard him go into detail with the deputy about what was happening and that the deputy was to escort me out to my car and get my credentials. Judge Flynn then left the Circuit Clerk's office.

11. At this time, Karla asked the deputy for just a few minutes of my time alone which the deputy granted. During this time, Karla asked me if I was going to be okay driving home on my own. She consoled me for and few minutes before we went with the deputy to my cubicle to gather my personal things and turn in my key. I was feeling extremely traumatized and in absolute shock. I didn't see this coming at all. All the clerks in the office overheard everything that Judge Flynn said which was also very upsetting. I have worked with these coworkers for so many years and the fact that they had to listen and witness all of this was upsetting. I was then escorted to my car by Karla and the deputy. Karla offered to drive me home but I declined. I then drove home myself.

12. A few weeks later: I received a phone call from Kathy Hall saying Judge Flynn wanted to set up a meeting with me. At the time, I agreed. But when I realized he wanted to meet me after business hours when the building was closed and I would be alone with him and Kathy Hall and the deputies, I wasn't comfortable with that. I also found out from one of the clerks that he told all of his clerks to leave the building by 4:30 p.m. I then felt even more uncomfortable about meeting with him and Kathy Hall. I requested that my boss, Karla Allsberry, be allowed to attend the meeting and was refused. I emailed and asked if I could have an attorney's present and didn't get a response. I called Kathy Hall and requested that we have a phone conference instead of a physical meeting. Judge Flynn also said no to a phone conference. I told her I was not comfortable meeting with him in person. I later received a confirmation email from her even though I didn't agree to it. I emailed her to let her know that I would not be there physically and that I would still like the phone conference and would be waiting for his call.

13. At this time, I was not uncomfortable meeting with him and Kathy again after how he treated me at the last meeting, even with the deputies present because I was afraid that he would do the same thing to me or worse. He had the power to have the deputies throw me out again if he wanted to and I didn't want to go through that again. I was afraid, so I reluctantly decided just to quit my job as I knew I would most likely get fired if I didn't show up for his meeting. And I didn't want a firing on my ten year

record. I was mentally exhausted at this time and didn't feel as though I had any other choice.

Lori Russell
LORI RUSSELL, Affiant

SUBSCRIBED AND SWORN TO before me, a Notary Public in and for the State and County aforesaid, this 19 day of June, 2019.

Notary Public

My Commission Expires: 7-18-2020

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Attachment #2

IN THE FORTY-FIFTH JUDICIAL CIRCUIT OF MISSOURI

WHEREAS, assignment of personnel to administrative positions as the administration of justice requires, is authorized by Missouri Constitution, Article V, it is ordered that:

THE FOLLOWING JUDICIAL PERSONNEL BE ASSIGNED AS FOLLOWS:

SECURITY POINT OF CONTACT FOR LINCOLN COUNTY

Presiding Judges Secretary Kathy Hall, primary

Court Clerk III – Karen Dye, secondary

PAYROLL DESIGNEE FOR LINCOLN COUNTY

Presiding Judges Secretary Kathy Hall, primary

Court Clerk III – Karen Dye, secondary

Done on this 10th day of January, 2019.

Patrick S. Flynn
Presiding Circuit Judge

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Attachment #3

KARLA KERPASH ALLSBERRY
CLERK OF THE CIRCUIT COURT
LINCOLN COUNTY, MISSOURI
Lincoln County Justice Center, 45 Business Park Drive, Troy, MO 63379
Phone 636-528-6300 Fax (636) 528-9168

January 25, 2019

TO: Judge Flynn, Judge Beck, Judge Allsberry, Judge Berry
Via email: Patrick.Flynn@courts.mo.gov, Milan.Berry@courts.mo.gov, Jim.Beck@courts.mo.gov, Gregory.Allsberry@courts.mo.gov

RE: Court Clerk Lori Russell

Dear Judges of the 45th Judicial Circuit:

On January 23, 2019, Judge Flynn verbally ordered Lori Russell who has worked in the Circuit Clerk's office for over 10 years in the accounting department on an indefinite administrative leave without consulting with me. This action is disruptive and crippling to the function of Circuit Clerk's office. Also, this action is unfair to her. The administrative suspension Judge Flynn verbally sited was due to her leaving a meeting without getting his permission. I saw her immediately after the meeting and she was crying inconsolably. She told me that she left the meeting because Judge Flynn was mistreating her.

I need Lori Russell to return to work as soon as possible. She is the only clerk who is trained in the accounting department, which was already backlogged before I took office and will now only become even more backlogged.

Respectfully,

Karla Kerpash Allsberry

Karla Kerpash Allsberry
Lincoln County Circuit Clerk

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Attachment #4

Circuit Criminal Cost Training
Patrick Flynn to: Karla Allsberry, Gayle Whitehead 05/03/2019 04:57 PM
History: This message has been replied to and forwarded.

My email is not working on my desktop and you are the only two clerks whose email address would populate. This also applies to Amy, Darla and Windy.

Amy should be the only one training on Monday for Circuit Criminal Costs as well as Karla , if she so chooses. Monday is the largest docket of the year and Darla is in Court. Dianne is out of the office. It being a Monday the office will be hit with various matters that occur over the weekend that will require the attention of Windy and Gayle.

Furthermore, an Administrative Order is forthcoming assigning Circuit Court Criminal costs to Amy .

I remain in fact, truth, protocol and respect-

PATRICK S. FLYNN
Presiding Judge

Sent from my iPhone

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Attachment #5

Point of Contact for Secuirty
Karla Allsberry to: Patrick Flynn
Cc: Kathy Hall, Sue Brown
01/09/2019 11:49 AM

Judge Flynn,
I respectfully request that you make me the point of security contact for the circuit clerk 's office as we discussed last week. We have been slowed down getting access to programs and data bases because I do not have this function. Also, I have visiting clerks that I need to utilize our computers. I strongly believe our office would run more smoothly if this change was made as soon as possible. Thank you for your help in this matter.

Respectfully,
Karla Kerpash Allsberry
Circuit Court Clerk of Lincoln County
Lincoln County Justice Center
45 Business Park Drive
Troy, MO 63379
PH: 636.528.6300
FAX: 636.528.9168

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Attachment #6

Email RE: Muni Checks
Karla Allsberry to: Patrick Flynn
Cc: prughlaw, Sue Brown
05/23/2019 08:07 AM

Judge Flynn,

Yesterday you forced Sharon Hoss to approve Kathy Hall's retake session that was entered in without my authorization. I clearly explained to Sharon and you that I was waiting to approve this cashier session because I wanted to verify that the correct codes were entered. As I was checking these codes with the OSCA Accounting department, you forced Sharon Hoss to approve this cashier session before the work was checked and without my knowledge until after the fact. My reason for waiting was simple, I wanted to be proactive and avoid having to re-void receipts which would create more work for a short staffed office. It is odd and inappropriate that you and Caroline would allow your secretary to enter receipts without my approval. This is yet another example of your overreach in the circuit clerk's office.

I have placed the checks and reports for the Cities of Foley, Hawk Point, Silex and Old Monroe in your inbox located in the Circuit Clerk's Office. I would have preferred to deliver these checks directly to the municipalities. Unfortunately, I have been prohibited from doing so because yesterday afternoon you verbally threatened me as I was working in my office to rectify the errors that Caroline Kight made. You indicated to me that if I did not give you the municipal checks that I would face consequences. I have worked diligently to correctly resolve the clerk error made by Caroline Kight. It is disappointing that you continue to choose to mistreat me. It is concerning to me that you continue to disregard my wishes to meet with you by phone or correspond via email because of your history of aggressive and violent behavior towards me.

Respectfully,
Karla Kerpash Allsberry
Lincoln County Circuit Clerk
Lincoln County Justice Center
45 Business Park Drive
Troy, MO 63379
PH: 636.528.6300
FAX: 636.528.9168

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Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Miller Police Department
Disbursements and Seized Property

Report No. 2019-112

November 2019

auditor.mo.gov

City of Miller Police Department Disbursements and Seized Property Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Miller, Missouri

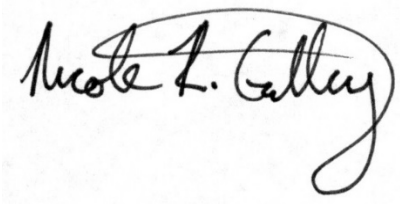
We have conducted follow-up work on audit report findings contained in Report No. 2019-036, *City of Miller Police Department Disbursements and Seized Property* (rated as Poor), issued in May 2019, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussions with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during October 2019.



Nicole R. Galloway, CPA
State Auditor

1. Improper Payroll Payments

The audit identified estimated improper payroll checks totaling $24,623 issued to the former Lieutenant, Randall Bruce, but negotiated by the former Police Chief, Joshua Bruce. The audit also identified improper overtime payments totaling $1,758 to the former Police Chief related to highway safety grants.

1.1 Improper payments and timesheets

The city's payroll records showed significant and unexplained increases in the amounts paid to and hours worked by the former Lieutenant. The city could not provide timesheets for some payroll checks issued to the former Lieutenant. The former Police Chief also improperly prepared timesheets for his brother, the former Lieutenant, and some of the timesheets prepared were not accurate. The related payroll checks issued to the former Lieutenant were also improperly negotiated by the former Police Chief.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of improper payments issued to the former Lieutenant and negotiated by the former Police Chief, and take the necessary actions to obtain restitution.

Status

Implemented

The Board is working with the Missouri State Highway Patrol (MSHP) and local prosecutors regarding criminal prosecution of the former Police Chief. Multiple criminal charges of receiving stolen property were filed against the former Police Chief in Lawrence and Christian Counties, and the cases are ongoing as of October 2019. Criminal charges of receiving stolen property were filed against the former Lieutenant in Lawrence County. This case has concluded, and the city received restitution totaling $6,272 in September 2019.

1.2 Highway safety overtime grants

Former Police Chief Bruce and the former City Clerk did not maintain and submit all required records for highway safety grants and as a result, the city owed $1,779 in grant funding to the Missouri Department of Transportation's (MoDOT) Highway Safety and Traffic Division. In addition to inaccurately reporting time worked on grant reimbursement requests, the former Police Chief improperly requested and was paid by the city for overtime related to these grants, even though he was not entitled to receive overtime compensation.

Recommendation

The Board of Aldermen develop procedures to ensure requirements are met for any future grants obtained and work with MoDOT to resolve the grant repayment request. In addition, the Board should continue to work with law enforcement officials regarding criminal prosecution of the improper overtime payments issued to the former Police Chief, and take the necessary actions to obtain restitution.

Status	**Implemented** The city issued a $1,779 check to the MoDOT in April 2019 to return the grant funding. The Mayor indicated no grant funds have been received by the city during the period May 2019 through September 2019. As discussed in section 1.1, the Board is working with law enforcement officials regarding criminal prosecution of the former Police Chief.
2. Mileage Reimbursements, Fuel Purchases, and City Vehicle Use	Unsupported and excessive mileage reimbursements were paid to the former Police Chief. In addition, the former Police Chief made questionable fuel purchases with assigned city credit cards. These purchases occurred at gas stations in Clever, Miller, and locations within 50 miles of the City of Miller. In addition, some of these purchases occurred on weekends and were for diesel fuel, with almost all of these purchases occurring in neighboring areas. Any city credit card was expected to only be used by the former Police Chief for fuel purchases when traveling out of the area. Also, the city did not report the value of personal (commuting) mileage to the Internal Revenue Service (IRS), as required.
Recommendation	The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of unsupported and excessive mileage reimbursements issued to the former Police Chief, questionable fuel purchases, and take the necessary actions to obtain restitution. In addition, the Board should comply with IRS guidelines for reporting fringe benefits and ensure mileage logs clearly distinguish between official or city business and commuting use.
Status	**In Progress** As discussed in section 1.1, the Board is working with law enforcement officials regarding criminal prosecution of the former Police Chief. The city's employee handbook, amended in April 2019, states, "Under no circumstances is a city owned vehicle to be taken out of city limits, unless it is for City business or mutual aid, and will not be taken to a personal residence overnight. In certain situations, with pre-approval from the board this may be permissible." The employee handbook also states, "Casey's Credit Card – Each department has one for fuel purchase. When purchasing fuel, the employee MUST fill out the Fuel Log form in its entirety, and must turn in the receipt to the City Clerk. If an employee does not turn in a receipt, the employee will be liable for the amount of the charges, to be deducted from the employees next pay check, after the Credit Card Statement has been reviewed." The Mayor indicated the Board will amend the former Police Chief's past W-2 forms, if appropriate, at the conclusion of the criminal case.
3. Credit Card Purchases and Missing Assets	The former Police Chief used a city credit card to purchase personal items/services and numerous meals that were likely not related to city

business. In addition, supporting documentation was not retained for numerous other city credit card purchases made by the former Police Chief, and other meals purchased looked excessive and lacked adequate supporting documentation. The MSHP located numerous city assets at the former Police Chief's residence after his termination, and several other city assets were missing.

3.1 Personal and unsupported purchases and questionable meals

The Board and former City Clerk did not perform adequate reviews of credit card statements, invoices, and other supporting documentation. Several disbursements were determined to be personal purchases and adequate supporting documentation was not submitted or retained for numerous other credit card purchases made by the former Police Chief.

The former Police Chief frequently used a city credit card to purchase meals that did not appear proper and/or to benefit the city. Many of the meals were purchased in areas between his home and the city or in other neighboring areas. The city did not have a formal written policy regarding meal reimbursements, but city officials indicated the city's practice was for employees to use city credit cards only for meals when overnight travel was required.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of personal, unsupported, and excessive purchases and take the necessary actions to obtain restitution. In addition, the Board should establish and maintain appropriate policies and procedures regarding meal expenses.

Status

In Progress

As discussed in section 1.1, the Board is working with law enforcement officials regarding criminal prosecution of the former Police Chief. The June 14, 2018, meeting minutes show the Board discussed establishing meal expense per diem rates, but took no action to formally adopt a policy or an ordinance. The Mayor indicated she will draft an ordinance addressing meal expenses for the Board's consideration at its November 2019 meeting. In addition, the city's employee handbook, amended in April 2019, addresses the use of the city's credit card. The handbook states, "For an employee to use this card, they must first fill out the Credit Card Log form when picking up the card from the City Clerk. Once the purchase has been made, the employee must return the card, with the receipt to the City Clerk. If the employee does not turn in a receipt, the employee will be liable for those charges, to be deducted from the employees next pay check, after the Credit Card Statement has been reviewed. **All Credit Card receipts must be signed by the person making the purchase, if their signature does not already appear on receipt**." (emphasis in original)

3.2 Missing assets

The city lacked adequate controls and procedures over police department property items, and did not properly track receipt and use of state and federal surplus property items. Some police department assets and state and/or federal surplus property items were located at the former Police Chief's residence by the MSHP after the former Police Chief's termination, and the city could not account for some assets.

Surplus property and 1033/LESO Program

The city obtained state and federal surplus property items from the Missouri State Agency for Surplus Property (SASP) and federal Defense Logistics Agency 1033 Program (renamed the Law Enforcement Support Office or LESO Program in 2016) through the state Department of Public Safety, but had no procedures in place to monitor SASP purchases or items transferred through the 1033/LESO Program. The former Police Chief used some of these items for personal rather than city business, and some items could not be located.

City assets

The Police Department did not maintain records or perform periodic inventories of weapons used by the department. Also, city officials failed to ensure city assets in the possession of the former Police Chief were returned at the time of his termination. In addition, the former Police Chief circumvented the city's normal disbursement process and purchased rifles from an area tactical vendor with cash.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of missing city assets. The Board should also establish controls and procedures to monitor and account for city assets, and ensure compliance with applicable surplus property regulations.

Status

Implemented

As discussed in section 1.1, the Board is working with law enforcement officials regarding criminal prosecution of the former Police Chief. The city currently employs no police officers, but the Board has established officer equipment agreements and equipment list forms to document the checkout of city assets, which are to be signed by the Mayor and police officer, if needed in the future. The Board has also established an inventory of all city-owned property still maintained at the police department. The Mayor indicated the city no longer has any surplus property in its possession with regulatory restrictions; however, the Board will ensure compliance with any surplus property regulations in the future.

4. Donations and Seized Property

Cash donations received by the former Police Chief and seized property were missing. Controls and procedures over donations and seized property needed improvement.

4.1 Donations

Cash donations collected by the former Police Chief totaling $1,445 were missing. In addition, receipt slips were not issued and other records of

donations received were not maintained by the former Police Chief or the city.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of the missing donations and take necessary actions to obtain restitution. In addition, the Board should ensure receipt slips or other records of donations received are maintained.

Status

Implemented

As discussed in section 1.1, the Board is working with law enforcement officials regarding criminal prosecution of the former Police Chief. The city's employee handbook, amended in April 2019, states "Under no circumstances, shall an employee accept monetary or any other type of donation(s) for any reason. The employee is to instruct the donor to go to City Hall and to give the donation to the City Clerk. This way the donation will be appropriated to the correct department, and will be used in the manner in which the donor intends." The Mayor indicated the city received no donations during the period May 2019 through September 2019.

4.2 Seized property

Various seized property items, including firearms and cash, were missing. The MSHP located some of these items at the former Police Chief's residence after his termination. The city lacked controls and procedures over seized property. The former Police Chief did not maintain a comprehensive listing of all seized property, did not conduct periodic inventories of seized property, and access to seized property was not adequately restricted.

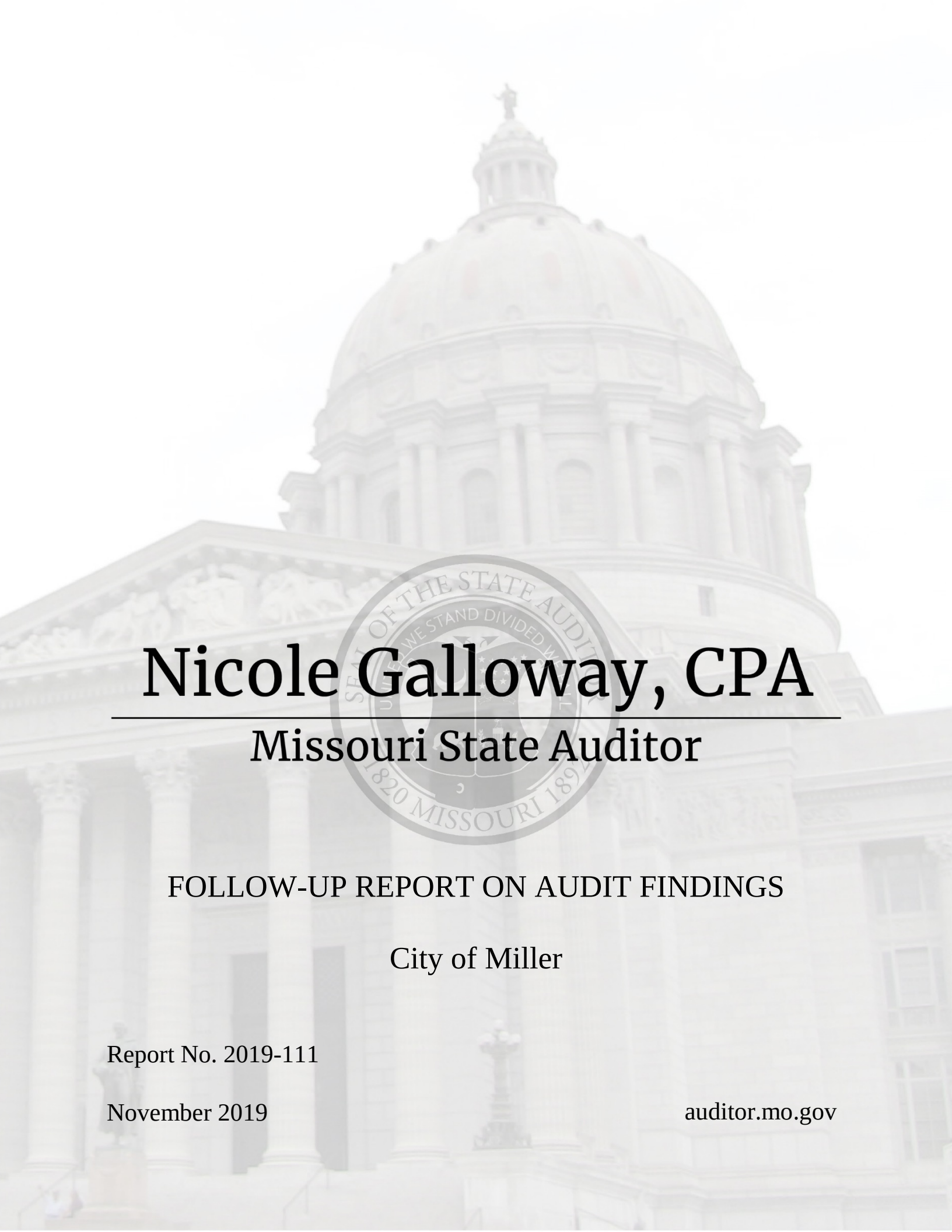
Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of the missing seized property and take necessary actions to obtain restitution. In addition, the Board should also ensure seized property records are accurate and complete, a periodic inventory is taken and reconciled to the property records, and access to all seized property is adequately restricted.

Status

In Progress

As discussed in section 1.1, the Board is working with law enforcement officials regarding criminal prosecution of the former Police Chief. The city currently employs no police officers, but the Board has established a chain of custody form to track seized property by case if needed in the future. The Mayor indicated no property has been seized since February 2019, and an inventory has not been taken of seized property items remaining in the city's possession. The Mayor also indicated the city is holding this property until the criminal case has been concluded, and at that time the city will work with law enforcement agencies and the court to dispose of it. In addition, the Mayor indicated she is currently the only one with access to the property.



Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Miller

Report No. 2019-111

November 2019

auditor.mo.gov

City of Miller
Follow-Up Report on Audit Findings
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*Includes selected findings

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Miller, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2019-035, *City of Miller* (rated as Poor), issued in May 2019, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

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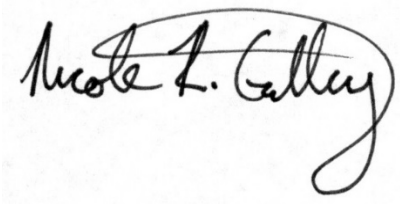
As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussion with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during October 2019.



Nicole R. Galloway, CPA
State Auditor

1. Utilities

There were significant weaknesses in the city's utility operations.

1.1 Financial condition

Despite a water and sewer rate increase in February 2016, water and sewer rates charged were not sufficient to pay for the costs of services provided. As a result, the city was using the General Fund to subsidize the Proprietary Fund to avoid a deficit cash balance in that fund. The Proprietary Fund cash balance was not sufficient to refund customer utility deposits also maintained in the fund.

In addition, despite a sewer rate study obtained in July 2017 recommending a significant rate increase, the Board of Aldermen did not approve an increase in the rate structure at that time. The Board subsequently approved a water and sewer rate increase to take effect in September 2018. However, the Board did not set the sewer rates at the amounts recommended in the study, and did not obtain a water rate study.

Recommendation

The Board of Aldermen document formal reviews of utility rates periodically to support any rate increase and set the rates to ensure revenues are sufficient to cover all costs of providing these services, including debt service requirements and reserves for future capital improvements.

Status

Implemented

The Board obtained water and sewer rate studies in August 2019, which recommended utility rate increases. The Board passed ordinances in October 2019, increasing water and sewer rates as recommended.

1.2 Compliance with Missouri Clean Water Law

The city repeatedly violated the Missouri Clean Water Law and city officials had not taken sufficient corrective action to correct sewer treatment facility issues.

Recommendation

The Board of Aldermen bring the sewer treatment facility into compliance with the Missouri Clean Water Law.

Status

In Progress

The Maintenance Supervisor indicated the city continues to be non-compliant with E. coli and ammonia discharge limits. However, the city entered into a contract for improvements to the wastewater system in November 2018, and work on the wastewater system project began at that time. The Maintenance Supervisor indicated the city will not likely be compliant until the project is completed in May 2021.

1.3 Utility reconciliations

The Board did not investigate significant differences identified in the monthly reconciliation of gallons of water billed to customers to gallons of water pumped. In addition, water usage was not tracked for city buildings. Also, the

City Clerk did not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services.

Recommendation

The Board of Aldermen investigate significant differences between gallons of water pumped to gallons billed. The Board should also ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed.

Status

Not Implemented

The September 2019 monthly reconciliation of gallons of water pumped to gallons billed indicated more than 2 million gallons of water was lost resulting in a water loss rate of approximately 60 percent. An investigation of the significant differences was not performed/documented. The Mayor indicated a bond issue for water/wastewater upgrades was passed in April 2019, and the Board hopes to fix the water leaks and improve the water system with the money generated from the bond issue. The Mayor also indicated the Board plans to start tracking water usage for city buildings. A reconciliation of amounts billed to amounts collected and delinquent accounts is still not being performed.

1.4 Delinquent utility accounts

The former City Clerk and the Board were not proactive in following up on utility accounts receivable. Also, the former City Clerk allowed 2 customers with significant utility account balances to make partial payments on their accounts for 3 to 4 years without Board approval, and the city did not have a written policy authorizing partial payments. In addition, the former City Clerk failed to follow city code for disconnection for these 2 accounts. The current City Clerk did not turn over all past due utility accounts to the collection agency.

Recommendation

The Board of Aldermen ensure sufficient procedures are developed to collect accounts receivable, all past due accounts are submitted to the collection agency, and service is disconnected in accordance with city code.

Status

In Progress

As of October 28, 2019, the city had 5 utility accounts receivable balances delinquent for over 90 days totaling $1,160. The Board approved writing off 16 of the previous 17 utility accounts totaling $26,375 as bad debts. The Mayor indicated none of the customers listed on the October 2019 delinquent list have been turned over to a collection agency, but 6 of the 22 accounts delinquent for 30 days or longer had their utilities disconnected. The remaining 16 accounts had not been disconnected in accordance with city code.

2.1 Payroll Controls and Procedures - Timesheets and leave records	Timesheets were not always signed by the employee or his/her supervisor to document approval of time worked and leave used, and some overtime hours were not reported on the timesheets for maintenance employees. In addition, leave records were not always maintained to track the number of hours of vacation and sick leave earned, used, and any remaining balances.
Recommendation	The Board of Aldermen ensure timesheets are accurate, properly signed and approved, and employee leave balances are properly tracked and monitored.
Status	**In Progress** The city implemented an electronic timecard system and now uses timecards instead of timesheets. Timecards reviewed for September 2019 were still not signed by the employee, but were initialed by the employee's supervisor. The Mayor indicated employees will be required to sign their timecards in the future. All overtime hours worked in September 2019 were reported on the maintenance employees timecards. The payroll system now tracks vacation and sick time earned, used, and any remaining balances. The City Clerk is now maintaining a spreadsheet to track compensatory time.
2.2 Payroll Controls and Procedures - Salary payments	Employees estimated hours worked for some days on their timesheets because some payroll payments occurred prior to the end of the pay period, and documentation was not available to indicate a comparison was performed between actual hours worked to the reported estimated hours. As a result, full-time employees were sometimes paid in advance for their services.
Recommendation	The Board of Aldermen discontinue compensating full-time employees in advance of receiving services.
Status	**Implemented** The Mayor indicated employees are no longer paid in advance. Time worked and reported on timecards submitted on Friday are not paid until the following Friday.
2.3 Payroll Controls and Procedures - Personnel policies	Some city employees were paid for overtime in violation of city policy, and nonworking time (vacation and sick leave, compensatory time, and holidays) was included in total hours worked when determining the amount of overtime earned by employees, which was not required by the Fair Labor Standards Act. In addition, the city's personnel policy did not address the hours to include when determining the number of overtime hours. Also, the policy did not address employment of related individuals.
Recommendation	The Board of Aldermen ensure compliance with personnel policies, and review and update the personnel policies, as necessary.

Status	**In Progress** The Board amended the employee handbook in April 2019 and it indicates employees will accrue compensatory time at time and a half for overtime hours worked and provides for compensatory time earned to be used within one calendar year from the date accrued. However, nonworking time continues to be included in total hours worked when determining the amount of overtime earned by employees. The Mayor indicated the Board will immediately discontinue using nonworking time in the calculation of overtime earned. The employee handbook was also amended to address the employment and supervision of related employees.
3.1 Accounting Controls and Procedures - Segregation of duties	The Board had not established adequate segregation of duties or supervisory reviews over some of the financial accounting functions performed by the City Clerk and/or Deputy City Clerk positions.
Recommendation	The Board of Aldermen segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
Status	**Not Implemented** The Mayor indicated the Board and city has experienced significant turnover since May 2019, with 2 of 4 Board members and the City Clerk resigning. As a result, the Board has not been able to establish segregation of duties or supervisory reviews over financial accounting functions. However, a Board member indicated she plans to perform a supervisory review of accounting records in the future.
3.2 Accounting Controls and Procedures - Receipting, recording, and depositing	The City Clerk did not account for the numerical sequence of electronic utility receipt numbers. Utility payments received were not recorded in the computerized utility system at the time of receipt. Checks received were not restrictively endorsed immediately upon receipt, and the former City Clerk did not deposit receipts timely or intact.
Recommendation	The Board of Aldermen ensure the numerical sequence of electronic receipt numbers is accounted for properly, timely record all payments received in the computerized utility system, restrictively endorse all checks upon receipt, and make deposits timely and intact.
Status	**Partially Implemented** Our review of accounting records for September and October 2019, indicated the City Clerk is still not accounting for the numerical sequence of electronic utility receipts numbers or depositing receipts intact. The City Clerk now records utility payments received in the computerized utility system at the

time of receipt, restrictively endorsing checks immediately upon receipt, and makes deposits more timely.

4.1 Restricted Funds and Disbursements - Restricted revenues

The city had not established adequate procedures to properly track and record various statutorily restricted revenues.

Recommendation

The Board of Aldermen ensure restricted monies are accounted for in the appropriate fund or category and establish separate funds or a separate accounting of Law Enforcement Training (LET) and Police Officer Standards Training (POST) fees.

Status

Implemented

In October 2019, the city transferred $7,397 for 1/2-cent street sales tax receipts originally recorded in the police department category during the period July through September 2019 to the street category within the General Fund. According to city accounting records during the period of July through September 2019, all payments received for trash services and all related disbursements were recorded in the trash category. The accounting records of the city do not separately track LET and POST fees. However, the Mayor indicated the city has not employed any police officers since February 2019. Therefore, the city did not receive LET or POST fees during the period July through September 2019.

4.2 Restricted Funds and Disbursements - Allocation

The city had not established adequate procedures to ensure disbursements were properly allocated or expended only for intended purposes. Several employees performed tasks related to multiple city functions, but the city had no documentation to justify the allocation of salaries to the various categories in the General and Proprietary Funds. Some other disbursements and/or allocations were also not adequately supported.

Recommendation

The Board of Aldermen ensure costs are allocated to the appropriate funds, and supported by adequate documentation, which is retained.

Status

Partially Implemented

Accounting records for the period of July through September 2019 indicated the City Clerk's wages were allocated to the general category, the wages of 2 maintenance employees were allocated 45 percent to the water category, 45 percent to the sewer category, and 10 percent to the street category, and the cost of uniforms for maintenance employees were allocated 50 percent to the water category and 50 percent to the sewer category. However, the city had no documentation to justify the allocation of salaries or uniform costs to these categories. The Mayor indicated the Board plans to require maintenance employees to complete daily activity logs in the spring of 2020 to justify the

allocation of their salaries and uniforms, but plans to continue to allocate the City's Clerk's wages to the general category until the financial condition of the water and sewer categories improve.

The city's annual financial statement audit for the year ended June 30, 2019, has not been completed; therefore, audit costs have not been paid or allocated. The cost of utilities for the period July through September 2019, were appropriately allocated based on each utility location to the fire, general, police department, sewer, street, and water categories.

4.3 Restricted Funds and Disbursements - Procurement procedures

The city's procurement procedures did not always comply with the city code, and professional services were obtained without benefit of a competitive selection process.

Recommendation

The Board of Aldermen perform a competitive procurement process for all major purchases in accordance with the city code and maintain documentation of decisions made. The Board should also solicit proposals for professional services and consider establishing a policy to address the procurement of professional services.

Status

In Progress

The Mayor indicated fuel is being purchased at the only gas station in town, bulk fuel is no longer purchased, and stipends are provided to employees for health insurance; therefore, bids are not needed on these items. Property and liability insurance was obtained in accordance with Section 537.620, RSMo. The Board solicited proposals for auditing and attorney/legal services and the Municipal Judge position; however, the Mayor indicated proposals were not solicited for banking services. The Mayor indicated bids will be solicited for banking services in the future, as necessary.

4.4 Restricted Funds and Disbursements - Credit cards

Fifty-nine purchases of items and services made with the city's 2 credit cards did not have supporting documentation, and an independent review of purchases made on these cards was not performed.

Recommendation

The Board of Aldermen require documentation be maintained and reconciled to credit card billing statements, and purchases be approved by someone other than the cardholder.

Status

Implemented

The city maintained supporting documentation for all credit card purchases included on the September 2019 credit card statement, and the Board performed an independent review of the transactions.

5.1 Budgets and Published Financial Statements - Budgets

The city's budgets did not contain all statutorily required elements and were not accurate, and budgeted and actual receipts and disbursements included on the budget summary page did not agree to the individual fund's budgets. In addition, the Board budgeted a deficit cash balance in the Proprietary Fund, and did not adequately monitor budget-to-actual receipts and disbursements. Also, the Board voted to amend the budget to actual receipts and disbursements for the year ending June 30, 2017, even though those actual numbers were not known at the time, and an amended budget document was not prepared to support the amendment.

Recommendation

The Board of Aldermen prepare accurate annual budgets that contain all information required by state law, discontinue deficit budgeting, ensure the budgets are adequately monitored and are properly amended.

Status

Partially Implemented

A budget message was not prepared for the year ended June 30, 2019, budget, but was prepared for the year ending June 30, 2020, budget. A formal budget document was not prepared for the year ended June 30, 2019, or the year ending June 30, 2020, that included the actual beginning and estimated ending cash balances or actual receipts and disbursements for the 2 preceding years. Without beginning and ending cash balances, city officials cannot determine if they are deficit budgeting. The city maintains a profit and loss statement from its accounting system, which reports budget to actual amounts for the current year and is used by the Board to help monitor spending. The profit and loss statement for the year ended June 30, 2019, showed actual disbursements exceeded budget disbursements by approximately $59,000 and a formal amended budget document was not prepared.

6. Board Qualifications and Sunshine Law

Procedures over Board qualifications and closed meetings needed improvement.

6.1 Board qualifications

The city did not have procedures in place to ensure information regarding a person who may have been unqualified to run for or hold elected office was reported timely to the appropriate authority.

Recommendation

The Board of Aldermen seek legal advice and resolve concerns regarding the current Board's qualifications to serve. The Board should establish procedures for handling future situations when the city receives information regarding a person potentially unqualified to run for or hold office, including transmitting this information to the appropriate authority.

Status

Implemented

The Mayor indicated the Board does not plan to seek legal advice regarding the current Board's qualifications to serve because 2 of the Aldermen are no longer Board members, and the remaining Alderwoman paid her delinquent

taxes. The Mayor indicated city personnel now confirms with the County Collector whether persons running for city office have paid their taxes. If taxes have not been paid, this information will be transmitted to the appropriate authority.

6.2 Closed meetings

Some issues discussed in closed meetings held were not allowable under the Sunshine Law.

Recommendation

The Board of Aldermen ensure only topics allowed by state law are discussed in closed Board meetings.

Status

Implemented

The topics discussed for closed meeting minutes reviewed during the period of July through September 2019 were allowed by state law.

7. Electronic Data Security

Controls over some city computers were not sufficient to prevent unauthorized access, and sufficient plans and processes were not in place for recovering systems and data. As a result, city records were not adequately protected and were susceptible to unauthorized access, and the city faced an increased risk of not being able to resume normal business operations timely.

7.1 Passwords

The city had not established adequate password controls to reduce the risk of unauthorized access to computers and data.

Recommendation

The Board of Aldermen require confidential passwords for each employee that are periodically changed to prevent unauthorized access to the city's computers and data. Passwords should contain a minimum number of characters.

Status

Partially Implemented

The Mayor indicated each computer has separate passwords; however, there is only one password to the utility software and it is shared by system users. The Mayor indicated she has no plans to create separate passwords for each user since other users typically only use the utility software when the City Clerk is not working. The Mayor indicated passwords are being periodically changed and require a minimum numbers of characters.

7.2 Security controls

Security controls were not in place to lock computers after a certain period of inactivity.

Recommendation

The Board of Aldermen require each computer to have a security control in place to lock it after a certain period of inactivity.

Status

Implemented

The Mayor indicated each city computer now locks after a certain period of inactivity.

7.3 Contingency plan and backup data

The city had not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. In addition, the city did not periodically test backup data to ensure essential data could be restored.

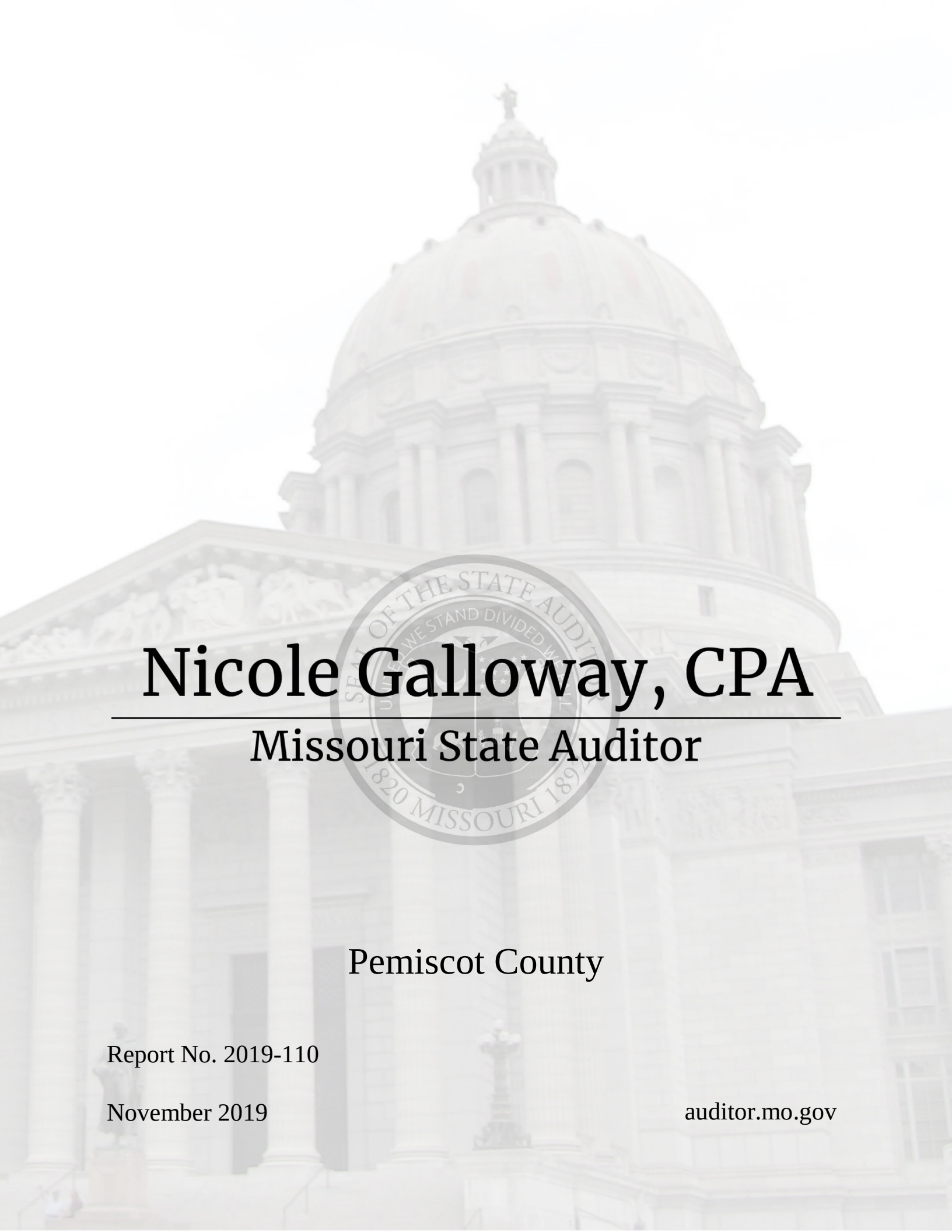
Recommendation

The Board of Aldermen develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require city personnel test restoration of backup data on a periodic basis.

Status

In Progress

The Mayor indicated city officials have not had time to develop a formal, written contingency plan or test restoration of backup data, but the Board plans to do this in early 2020.



Nicole Galloway, CPA

Missouri State Auditor

Pemiscot County

Report No. 2019-110

November 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pemiscot County

Property Tax System	Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The county has not adequately restricted property tax system access. The County Collector's annual settlement for the year ended February 28, 2019, was not accurate.
County Collector's Controls and Procedures	The County Collector has not established proper controls or procedures for refunding monies. Transfers from the Tax Maintenance Fund were not in compliance with uses allowed by state law or there was no documentation to the support transfers.
Sheriff's Controls and Procedures	Sheriff's office personnel do not deposit inmate receipts timely and checks are not restrictively endorsed upon receipt. The Sheriff's Office Manager does not compare the reconciled bank balance to the book balance of the general account because a running book balance is not maintained. Sheriff's office personnel do not prepare a monthly list of liabilities for the inmate account and consequently, liabilities are not agreed to the reconciled bank balance.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The Prosecuting Attorney has not established proper procedures for receipting, recording, and transmitting monies.
County Clerk's Controls and Procedures	The County Clerk has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The County Clerk has not established proper procedures for receipting and transmitting monies.
Public Administrator's Annual Settlements	The Public Administrator does not always file annual settlements timely in compliance with state law.
Electronic Data Security	The County Collector, Prosecuting Attorney, and Public Administrator have not established adequate password controls.
Sheriff's Salary	The Sheriff's salary has not been set in accordance with state law.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Pemiscot County
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Management Advisory Report - State Auditor's Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Pemiscot County

We have audited certain operations of Pemiscot County in fulfillment of our duties under Section 29.230, RSMo. In addition, Devereaux & Company, Certified Public Accountants, and Business Advisors, was engaged to audit the financial statements of Pemiscot County for the year ended December 31, 2018. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

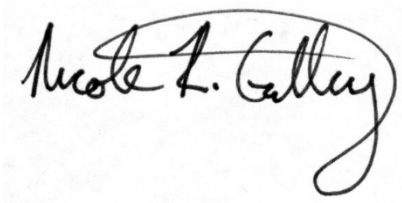
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Pemiscot County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	David T. Olson
Audit Staff:	Morgan Alexander
	Scott Davis, MAc, CPA, CGAP
	Joel Stucky

1. Property Tax System

Controls and procedures over the property tax system need improvement. The County Collector processed property tax collections totaling approximately $12.5 million during the year ended February 28, 2019.

1.1 Review of activity

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. We reviewed the County Clerk's account book on April 3, 2019, and noted it did not include any amounts for current collections of 2018 taxes. The County Clerk provided us a corrected account book on April 10, 2019; however, several amounts recorded for charges, collections, additions, and abatements did not agree to amounts recorded on the annual settlement for the year ended February 28, 2019. Also, the review procedures performed by the County Clerk and County Commission are not adequate to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, and misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector. Such procedures are intended to establish checks and balances related to the collection of property taxes.

A similar condition was noted in our 2 prior county audit reports and the prior audit report of the County Collector and property tax system. In addition, Report No. 2016-038, *Follow-up on Audit Findings - Pemiscot County*, issued in June 2016, reported the status, at that time, as not implemented.

1.2 Property tax system controls

The county has not adequately restricted property tax system access. The County Collector and her office personnel have access rights in the property tax system allowing them to make changes to individual tax records. There is no independent review of changes made to individual tax records in the system. Because the County Collector is responsible for collecting tax monies, the ability of personnel within this office to alter tax records represents a significant weakness in internal controls. Good internal controls require the County Collector and other office personnel not have access rights allowing alteration or deletion of tax rates, assessed valuations, and property tax billing information.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books upon order of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual changes made to the property tax system would help ensure changes are proper.

1.3 Annual settlements

The County Collector's annual settlement for the year ended February 28, 2019, was not accurate. Total distributions to the General Revenue Fund reported on the annual settlement were overstated by approximately $1.3 million and total distributions to schools were understated by this amount.

To help ensure the validity of the tax book charges, collections, and distributions, and for the County Clerk and County Commission to properly verify these amounts, it is important that the County Collector file accurate annual settlements.

Recommendations

1.1 The County Clerk maintain a complete and accurate account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

1.2 The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored. In addition, the County Commission should work with the County Collector to ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

1.3 The County Collector prepare accurate annual settlements.

Auditee's Response

The County Clerk provided the following responses:

1.1 The County Clerk will work to maintain a complete and accurate account book with the County Collector. The County Clerk will work with the County Commission to make sure the account book and the County Collector's annual settlement agree.

1.2 The County Clerk will work with the County Commission to make sure all property tax changes are approved and monitored.

The County Commission provided the following responses:

1.1 The County Commission will be diligent in working with the County Collector and County Clerk to assure that annual settlements are complete and accurate in the future.

1.2 The County Commission will work with the County Collector and County Clerk to approve procedures to assure that all changes to the property tax system are proper.

The County Collector provided the following responses:

1.2 We intend to work with our software company and find out if we can restrict permissions in the County Assessor's program that rolls into the property tax system.

1.3 My annual settlement was incorrect. The $1.3 million was distributed to the schools per the County Clerk's calculations after it was turned over to the County Treasurer. I will ensure that going forward the amounts reported on the annual settlement are correct.

2. County Collector's Controls and Procedures

Controls and procedures in the County Collector's office need improvement.

2.1 Cash refunds

The County Collector has not established proper controls and procedures for refunding monies. Overpayments made by check are refunded in cash and there is no documentation to support these cash refunds. Our review of receipts recorded during the 2-week period ending November 30, 2018, and the 2-week period ending January 18, 2019, identified 3 cash refunds totaling $218 for overpayments of property taxes paid by check. There is no documentation to support the taxpayers received these cash refunds.

Failure to implement adequate refunding procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected.

2.2 Tax Maintenance Fund transfers

A $15,000 transfer made from the Tax Maintenance Fund (TMF) in 2019 was not in compliance with uses allowed by state law. In addition, there is no documentation to support transfers of $11,600 made in 2018. The County Collector collects a penalty of 9 percent of the total charged on delinquent taxes. Two-ninths of this penalty is required to be paid into the TMF to be used for additional administrative or operational costs related to the office of the County Collector.

The County Collector transferred $15,000 from the TMF to the General Revenue Fund (GRF) on January 30, 2019. The County Collector indicated approximately $12,000 of this amount was used to purchase new blinds for the courthouse and the remaining $3,000 was used to pay for legal fees related to property tax sales. The County Clerk provided invoices totaling $3,055 for the legal fees and an invoice totaling $11,985 for courthouse blinds. The cost of the blinds was not allocated among all county offices benefiting from the blinds. As a result, at least a portion of the $12,000 transfer for the total cost of the blinds was not related to the administration or operation of the County Collector's office.

In addition, the January 17, 2018, County Commission meeting minutes indicated the County Collector would pay for her part of her equipment out of the TMF and would also give $10,000 to the GRF. Actual transfers from the TMF to the GRF totaled $11,600 in 2018. The County Clerk indicated $4,000 was reimbursement for computer system maintenance and $870 was reimbursement for additional salaries of the County Collector's deputies. However, the County Clerk could not provide documentation to support these purchases or for the remainder of the amount transferred.

Section 52.315, RSMo, requires TMF monies be expended for additional administration and operation costs of the County Collector's office and "shall not be used to substitute for or subsidize any allocation of the county general revenue for the operation of the office of collector." Any unexpended balance is required to remain in the TMF to accumulate from year to year and should not be transferred to the county's general revenue for non-collector related purposes prior to reaching the limits set forth in Section 52.317.1, RSMo. Except for the $3,055 paid for legal fees, there was either no documentation supporting the transferred amounts or the documentation was unclear as to how the transferred amount related to the administration or operation of the office of the County Collector. Therefore, these transfers were not an appropriate use of the TMF monies.

Recommendations

The County Collector:

2.1 Issue all refunds by check and maintain supporting documentation of refunds.

2.2 Ensure disbursements from the Tax Maintenance Fund are in compliance with statutory provisions, and the County Commission reimburse the Tax Maintenance Fund for the improper transfers. In addition, the County Collector should maintain documentation to support all transfers made from the Tax Maintenance Fund.

Auditee's Response

2.1 Any overpayments requiring a refund in the future will have documentation to show the taxpayer received the refunded amount or a check will be issued for the amount of the refund.

2.2 Monies transferred from the Tax Maintenance Fund were turned over prior to reaching statutory limits. In the future we will have proper documentation that we have reached that limit or the funds spent are for the benefit of the County Collector's office.

3. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. Office personnel processed receipts for paper service fees, bonds, inmate monies, prisoner board, transportation reimbursements, and other miscellaneous receipts totaling approximately $674,000 for the year ended December 31, 2018.

3.1 Receipts and deposits

Sheriff's office personnel do not deposit inmate receipts timely and checks are not restrictively endorsed upon receipt. Inmate receipts are typically deposited monthly. Our review of inmate receipt and deposit records noted monies received from June 18 through June 30, 2018, totaling $2,983, were not deposited until July 17, 2018. In addition, during a cash count performed on March 5, 2019, we identified 7 checks, totaling $335, for paper service fees that were not restrictively endorsed.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected.

3.2 Bank reconciliations

The Sheriff's Office Manager does not compare the reconciled bank balance to the book balance of the general account because a running book balance is not maintained. As of January 7, 2019, the reconciled bank balance and identified liabilities were $4,307.

Maintaining and comparing cumulative book balances to monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be detected and corrected timely.

3.3 Inmate account liabilities

Sheriff's office personnel do not prepare a monthly list of liabilities for the inmate account and consequently, liabilities are not agreed to the reconciled bank balance. At our request, the Jail Administrator generated a list of inmate balances totaling $4,716 as of April 8, 2019. The April 8, 2019, reconciled bank balance totaled $9,129. After subtracting the inmate balances from the reconciled balance, the account contains an unidentified balance of $4,413. The Jail Administrator indicated the unidentified balance is likely money kept in the account to meet cash flow needs and operate the commissary.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained.

Similar conditions previously reported

Similar conditions to sections 3.2 and 3.3 were noted in our prior audit report.

Recommendations

The Sheriff:

3.1 Deposit monies timely and restrictively endorse checks at the time of receipt.

3.2 Maintain cumulative book balances for the general account and reconcile the book balances to bank reconciliations monthly. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

3.3 Prepare monthly lists of liabilities for the inmate account and reconcile the lists to available cash balances. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

3.1 All monies will be deposited in a timely manner (at least weekly). All checks will be endorsed immediately upon receipt.

3.2 The Office Manager will maintain cumulative book balances and reconcile such to bank reconciliations monthly. Any differences will be immediately investigated by the Sheriff.

3.3 A monthly report of inmate balances will be prepared. All balances will be identified and monthly turnovers will be made to the proper entity.

4. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately $93,600 in bad check and court-ordered restitution and fees during the year ended December 31, 2018.

4.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The secretary is primarily responsible for receiving, recording, and transmitting monies. The Prosecuting Attorney does not perform documented reviews of accounting and transmittal records to ensure monies received are properly recorded and transmitted.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and transmittal records are essential and should include comparing daily receipt activity to transmittals.

4.2 Receipting, recording, and transmitting

The Prosecuting Attorney has not established proper procedures for receipting, recording, and transmitting monies.

- The secretary does not always record monies immediately upon receipt. During our cash count on March 6, 2019, we identified 5 checks and money orders totaling $373 that were not receipted and recorded in the accounting system. These receipts were not recorded until April 5, 2019, approximately 30 days after our cash count.

- The secretary does not transmit fees timely and intact to the County Treasurer. Our cash count on March 6, 2019, totaling $7,268, included 1) victim restitution, administrative handling fees, and Missouri Office of Prosecution Services (MOPS) fees ($3,968) received from December 5, 2018 through the cash count date; 2) administrative handling fees ($30) received on September 25, 2018; and 3) Law Enforcement Restitution Fund monies ($3,270) received from February 1, 2019 through the cash count date. While $6,645 was transmitted to the victims and the County Treasurer on March 7, 2019, $250 was not transmitted until April 5, 2019, and the remaining $373 was not transmitted until April 17, 2019.

- Checks and money orders are not restrictively endorsed upon receipt. They are endorsed when the transmittals are prepared.

Failure to implement adequate receipting, recording, and transmitting procedures increase the risk that loss, theft, or misuse of monies received will occur and go undetected. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer. Section 570.120.5, RSMo, requires all MOPS funds to be transmitted monthly by the County Treasurer to the Missouri Director of Revenue.

Recommendations

The Prosecuting Attorney:

4.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and transmittal records are performed and documented.

4.2 Establish procedures to immediately record receipts in the accounting system when received, transmit all receipts timely and intact, and restrictively endorse checks and money orders at the time of receipt.

Auditee's Response

4.1 You request I "adequately segregate" accounting duties. I have two staff and this recommendation is not something I can enforce. I have, however, begun documenting my review of the accounting and transmittal records per your request.

4.2 You mention "cash count." I understand you are not specifically referring to counting cash within this office, but I want to be clear that we do not, under any circumstance, accept cash. All payments are via cashier check or money order. We do agree with your recommendations of the receipting and transferring of funds and are now enforcing our policy to turn over monies twice a month and endorse "for deposit only" at the time of receipt. Further, we have established a policy to immediately record receipts when received per your recommendation.

5. County Clerk's Controls and Procedures

Controls and procedures in the County Clerk's office need improvement. The office processed liquor license fees, notary fees, and other miscellaneous fees totaling approximately $12,000 during the year ended December 31, 2018.

5.1 Segregation of duties

The County Clerk has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The Accounts Payable Clerk is primarily responsible for receiving, recording, and transmitting monies. The County Clerk does not perform a documented review of accounting and transmittal records to ensure monies received are properly recorded and transmitted.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and transmittal records are essential and should include comparing daily receipt activity to transmittals.

5.2 Receipting and transmitting

The County Clerk has not established proper procedures for receipting and transmitting monies.

- Official prenumbered receipt slips are not issued for all monies received and a comprehensive log of receipts is not maintained. Our review of receipt and transmittal records for June 2018 noted receipt slips were not issued for liquor license fees totaling $3,931 and notary/fax fees totaling

$14. In addition, the County Clerk records receipts for sunshine law and voter list requests on printed forms that are not numbered.

- The County Clerk does not transmit all receipts timely and intact to the County Treasurer. Notary fees collected from September 17, 2017, to June 12, 2018, totaling $122 ($92 cash and $30 check), were not transmitted to the County Treasurer until June 13, 2018. Receipts for liquor licenses and reimbursements were typically transmitted daily during this period.

- The County Clerk does not reconcile receipt records to transmittal records. Cash totaling $22.75 associated with receipt number 144653 issued June 15, 2018, was not transmitted to the County Treasurer and is missing.

- Checks are not restrictively endorsed when received. The County Treasurer applies the restrictive endorsement following transmittal.

Failure to implement adequate receipting and transmitting procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected. In addition, Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

Recommendations

The County Clerk:

5.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and transmittal records are performed and documented.

5.2 Issue prenumbered receipt slips for all monies received, transmit receipts intact and timely, reconcile receipts to transmittals, and restrictively endorse checks at the time of receipt.

Auditee's Response

5.1 The County Clerk will perform and document independent reviews of accounting and transmittal records.

5.2 The County Clerk will diligently work to issue prenumbered receipt slips for all money received in the office. The money will be turned over daily to the County Treasurer. All checks will be endorsed at the time of receipt and then turned over to the County Treasurer. The County Clerk will also reconcile receipts to transmittals and document this information.

6. Public Administrator's Annual Settlements

The Public Administrator does not always file annual settlements timely in compliance with state law. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The former Public Administrator resigned effective May 31, 2018, and the current Public Administrator took office on June 1, 2018. Recommendations are directed to the current Public Administrator because she is in a position to implement changes. The Public Administrator's office was responsible for the financial activity of 36 wards and estates during the year ended December 31, 2018.

During our review of 36 active cases, we found 25 cases did not have annual settlements filed timely. Settlements filed (or still due) for these 25 cases ranged from 31 to 493 days after the due date, as of our review on May 13, 2019. These late settlements were due from both the former Public Administrator and the current Public Administrator. The current Public Administrator indicated she is working to get caught up on the settlements.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely filing of settlements is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

A similar condition was noted in our prior audit report.

Recommendation

The Public Administrator file annual settlements timely.

Auditee's Response

The Public Administrator is working diligently to complete all required annual settlements timely.

7. Electronic Data Security

The County Collector, Prosecuting Attorney, and Public Administrator have not established adequate password controls. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

Employees in the County Collector's office share user identifications and passwords for the property tax system. These employees share computers in the office and do not log off and log back on with their unique user identifications and passwords when using the property tax system at one of the shared computers. As a result, there is no assurance that the user listed in the system as posting or deleting a transaction is the person who actually performed the action.

The Public Administrator shares her user identification and password with her assistant. In addition, the passwords used by employees in the offices of

the County Collector and Prosecuting Attorney are not required to have a minimum number of characters.

Unique user identifications and passwords are necessary to identify activity performed by each individual. While user identifications and passwords are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Allowing certain users to share logon credentials increases the risk of unauthorized access and/or changes to the system and records and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should be confidential and contain a minimum number of characters to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendation

The County Commission work with the other county officials to require each employee to have a unique user identification and confidential password with a minimum number of characters.

Auditee's Response

The County Commission provided the following response:

We will meet with all county officials to inform them of this requirement.

The County Collector provided the following response:

We have separate passwords for each computer and also the collection system. We intend to use separate batches and no longer share login credentials when recording any payments or changes in the system. In addition, passwords are now required to contain a minimum number of characters.

The Prosecuting Attorney provided the following response:

You mention that the passwords in this office are not required to have a minimum number of characters. We now require every electronic device in the office to have a password with a minimum number of characters.

The Public Administrator provided the following response:

Unique user identifications and confidential passwords have been set up for the Public Administrator's computer.

8. Sheriff's Salary

The Sheriff's salary has not been set in accordance with state law.

On December 9, 2015, the Salary Commission voted to give the Sheriff a 25 percent raise over the salary amount set in statute and all other elected

officials would receive the salary stated in the statutes. The Salary Commission previously voted on November 9, 2015, to give a 25 percent raise to all elected officials beginning January 1, 2017 (the first day of the next term for certain officials). This vote was rescinded in December when the Salary Commission voted to give the raise only to the Sheriff.

Section 50.333.7, RSMo, requires the Salary Commission to consider the compensation to be paid for the next term of office for each county officer to be elected at their next general election. If the Salary Commission votes to increase compensation, all officers whose compensation is being considered at that time shall receive the same percentage increase over the compensation paid for that office during the term when the vote is taken. The County Commission should consult with legal counsel and review salaries paid to elected officials to ensure amounts comply with state law.

Recommendation

The County Commission ensure elected official salaries comply with state law and consult with legal counsel to determine how to remedy the situation regarding the Sheriff's salary.

Auditee's Response

The County Commission will consult with our county attorney to try to remedy the present situation and to ensure all future raises comply with State Law.

Pemiscot County
Organization and Statistical Information

Pemiscot County is a county-organized, third-class county. The county seat is Caruthersville.

Pemiscot County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 89 full-time employees and 3 part-time employees on December 31, 2018.

In addition, county operations include the Senate Bill 40 Board.

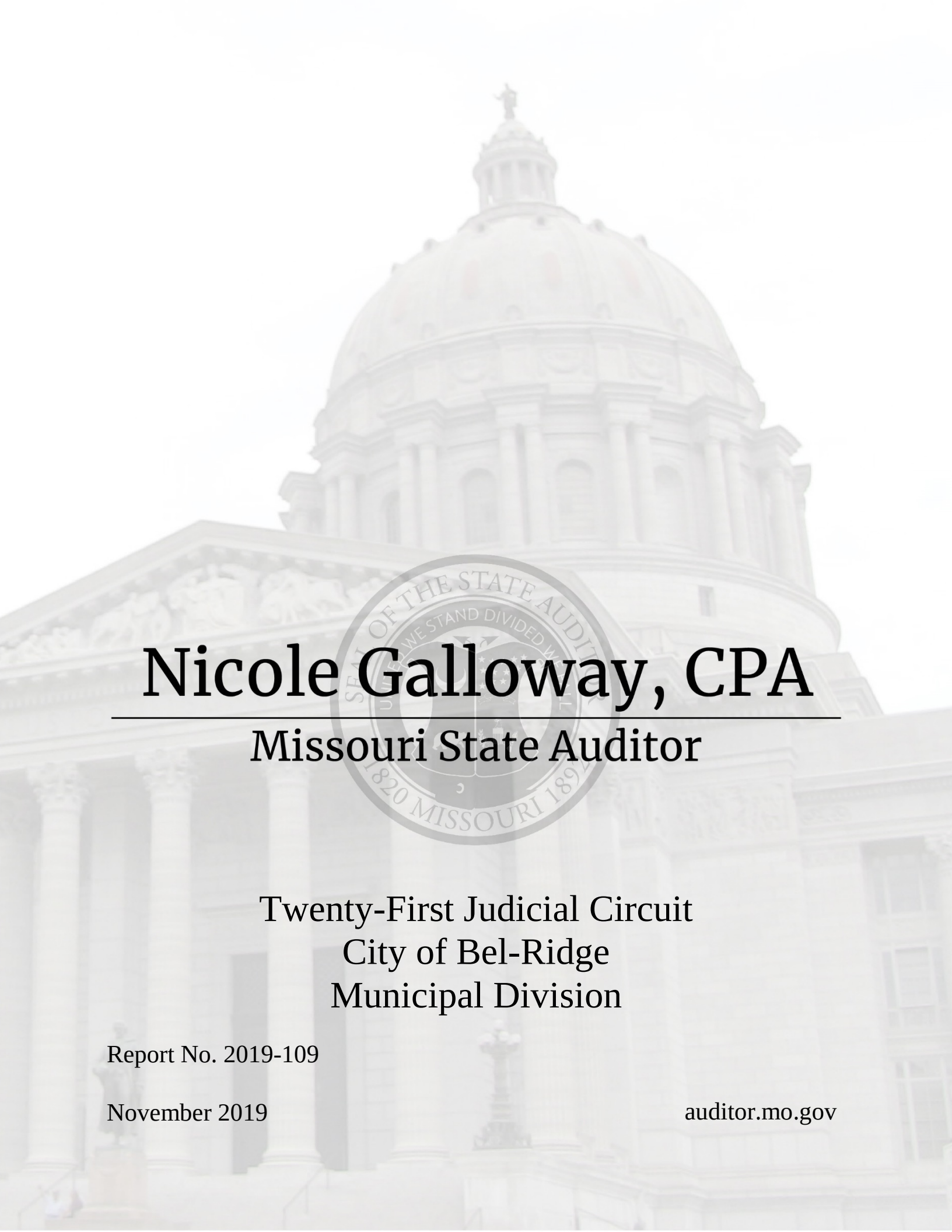
Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2019	2018
Mark Cartee, Presiding Commissioner	$	29,390
Steve Watkins, Associate Commissioner		27,390
Ben H. Baker, Associate Commissioner		27,390
Pam Strawbridge, Recorder of Deeds		41,500
Pam Treece, County Clerk		41,500
Jereme Lytle, Prosecuting Attorney		138,719
Tommy Greenwell, Sheriff		57,500
Frankie R. Stewart, County Treasurer		41,500
James Brimhall, County Coroner		14,000
April Gatewood, Public Administrator (1)		17,292
Trina Hollomon, Public Administrator (1)		24,208
Rhonda Parkinson Price, County Collector (2), year ended February 28,	50,505	
Patsy Hinklin, County Assessor, year ended August 31,		41,500

(1) April Gatewood resigned as Public Administrator effective May 31, 2018. Trina Hollomon was appointed by the Governor and sworn into office on June 1, 2018.

(2) Includes $9,005 of commissions earned for collecting drainage district property taxes.



Nicole Galloway, CPA

Missouri State Auditor

Twenty-First Judicial Circuit
City of Bel-Ridge
Municipal Division

Report No. 2019-109

November 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Twenty-First Judicial Circuit, City of Bel-Ridge Municipal Division

Accounting Controls and Procedures	Neither the Municipal Judge nor other city personnel independent of the cash custody and record-keeping functions provides an adequate independent or supervisory review of the work performed by the Court Clerk. Neither municipal division nor city personnel perform monthly reconciliations of the municipal division's bank account. Credit card payments received are not recorded timely in the Judicial Information System and are not reconciled to deposits on the bank statements or reports of credit card transactions. The Court Clerk does not account for the numerical sequence of bond forms issued or reconcile bond forms to the bond ledger. The Court Clerk does not periodically review accrued costs owed to the municipal division.
Municipal Division Procedures	The municipal division has not established procedures to periodically review the status of open items. The municipal division has not established adequate procedures to manage open cases. The Municipal Judge does not always document her approval of the final disposition of cases brought before the court or the fines handled through the violation bureau. The municipal division and the police department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly. The municipal division does not maintain case records in a complete manner.
Excess Revenues	The city did not timely prepare and submit the financial report addendum containing excess revenue calculations.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Twenty-First Judicial Circuit
City of Bel-Ridge Municipal Division
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Bel-Ridge, Missouri

We have audited certain operations of the City of Bel-Ridge Municipal Division of the Twenty-First Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's and city's compliance with certain legal provisions.

3. Evaluate the municipal division's compliance with certain court rules.

4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

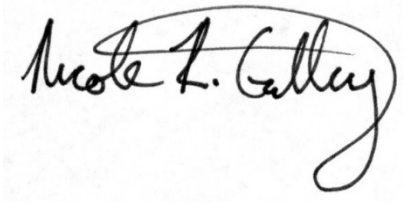
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) noncompliance with court rules, and (4) noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bel-Ridge Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the City of Bel-Ridge, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Troy Tallman, CFE

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the year ended December 31, 2018, the municipal division collected $309,965 in fines, court costs, and bonds.

1.1 Oversight

Neither the Municipal Judge nor other city personnel independent of the cash custody and record-keeping functions provides an adequate independent or supervisory review of the work performed by the Court Clerk. Proper segregation of duties within the municipal division is not possible because the Court Clerk is the only full-time division employee.

Except for credit card payments posted to the Judicial Information System (JIS) by the city's Office Assistant and a review by a city Board member of checks written by the Court Clerk, the Court Clerk is responsible for all duties related to collecting court payments, recording and posting them to the JIS, and making deposits and disbursements. Additionally, the Court Clerk is responsible for posting manual case information, including case activity and the assessment of fines and court costs into the JIS, and preparing monthly financial reports. Also, bonds collected by the police department are transmitted to the Court Clerk for further processing.

To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by implementing documented supervisory or independent reviews of accounting records and electronic case information.

1.2 Bank reconciliations and liabilities

Neither municipal division nor city personnel perform monthly reconciliations of the municipal division's bank account. Upon our request to prepare a bank reconciliation and a list of liabilities, the Court Clerk produced an open items report from the JIS as of May 2, 2019, and the city's contracted accounting firm prepared a reconciliation of the court's bank account as of April 30, 2019. The reconciled bank account balance of $121,883 exceeded the court's liabilities (open items) of $108,631 by $13,252. No one could explain why the difference occurred.

Missouri Supreme Court Operating Rule (COR) 4.59 states, "All bank balances and open items records shall be reconciled at least monthly." Bank reconciliations and reconciling liabilities to the reconciled bank balance are necessary to ensure all accounting records balance, transactions are properly recorded, liabilities are properly accounted for, and errors or discrepancies are detected and corrected timely. Various statutory provisions provide for the disposition of unidentified monies.

1.3 Recording and reconciling

Controls and procedures for recording and reconciling payments received need improvement.

Credit cards

Credit card payments received are not recorded timely in the JIS and are not reconciled to deposits on the bank statements or reports of credit card transactions. As a result, the municipal division does not have assurance all credit card payments received have been recorded and posted accurately and timely to the JIS. Credit card payments received totaled approximately $112,000 for the year ended December 31, 2018.

For the 66 credit card receipts posted to the JIS from December 10, 2018, through December 17, 2018, 16 receipts totaling $2,328 were posted to the JIS 14 days or more after receiving the payment including one transaction for $100 posted more than 300 days after receipt. The Court Clerk periodically provides the Office Assistant with documents for cases with credit card payments for posting to the JIS. Additionally, one credit card receipt for $74 was incorrectly posted in JIS on December 10, 2018, for $85. The Office Assistant corrected the JIS entry after we notified her of the discrepancy.

Bonds

The Court Clerk does not account for the numerical sequence of bond forms issued or reconcile bond forms to the bond ledger. The police department records bond payments received on prenumbered bond forms and sequentially on a bond ledger, however, the Court Clerk does not account for the numerical sequence of the forms or reconcile them to the bond ledger upon preparing bank deposits.

Failure to implement adequate recording and reconciling procedures increases the risk that errors, loss, theft, or misuse of monies received will go undetected.

1.4 Accrued costs

The Court Clerk does not periodically review accrued costs owed to the municipal division. The JIS tracks accrued costs and can produce a report of balances due; however, the Court Clerk does not print and review this report to (1) ensure amounts owed agree to the case file or (2) identify possible errors or cases with potentially uncollectible balances. According to a JIS report we obtained from the Office of State Courts Administrator, as of April 22, 2019, the division had accrued costs totaling $411,238 for 3,122 cases.

Proper and timely monitoring of receivables is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the Municipal Judge and to determine appropriate handling when amounts are deemed uncollectible.

Recommendations

The City of Bel-Ridge Municipal Division:

1.1 Ensure independent reviews are performed of accounting records and electronic case records.

1.2 Perform monthly bank reconciliations and reconcile the list of liabilities to the reconciled bank balance. Any differences should be promptly investigated and resolved. After sufficient efforts are made to resolve differences, any money remaining unidentified should be disposed of in accordance with state law.

1.3 Ensure credit card transactions are recorded timely in the JIS and reconciled to the credit card transaction reports and deposits. In addition, the numerical sequence of bond forms should be accounted for and bond receipts reconciled to deposits.

1.4 Establish procedures to monitor accrued costs.

Auditee's Response

1.1 Either the Office Assistant or the City Clerk will perform an independent reconciliation of the Court Clerk's receipts, deposits, and disbursements on a weekly basis.

1.2 We will have the city's contracted accounting firm prepare the municipal division's bank reconciliation each month and reconcile it to open items.

1.3 We will work on developing procedures to record credit card receipts timely. In addition, we will ensure credit card receipts and deposits are reviewed and reconciled by someone independent of the process. Further, we will also ensure the Court Clerk accounts for all bond forms prepared by the police department and reconcile the bond receipts to deposits.

1.4 We have begun reviewing cases with accrued costs, and we will establish procedures to ensure cases with accrued cost are reviewed periodically.

2. Municipal Division Procedures

Municipal division procedures need improvement.

2.1 Review of open items

The municipal division has not established procedures to periodically review the status of open items. Upon our request, the municipal division produced an open items report from the JIS as of May 2, 2019, indicating the municipal division held $88,810 for 373 cases with bonds in open items and open items/suspense accounts. The listing included 192 cases totaling $39,249 with case disposition dates more than one year old, but only one of those cases appeared on a current court docket.

The failure to routinely review open items and apply, forfeit, or refund monies when appropriate increases the volume of cases requiring monitoring and

deprives the state, city, or others the use of those monies. If refunding is appropriate, but proper payees cannot be located, the monies should be disposed of in accordance with state law.

2.2 Case management

The municipal division has not established adequate procedures to manage open cases. The Court Clerk issues a summons to a defendant to appear at the next court date when that defendant does not pay and does not appear at court. The case will appear on the next court docket until 3 summonses have been issued. The Municipal Judge then reviews the case to determine whether to issue an arrest warrant for the defendant, execute a show cause order, or other action. If a warrant is issued, the case is removed from the court docket. For 14 open cases tested from tickets issued in 2018 without payment activity, division personnel often did not issue summonses timely and did not issue warrants and none of the cases appeared on a current court docket. After we inquired about the cases, division personnel issued arrest warrants on 3 defendants.

Without procedures to ensure summonses and warrants are issued timely after defendants fail to appear, the court cannot be assured all cases are properly handled.

2.3 Case dispositions

The Municipal Judge does not always document her approval of the final disposition of cases brought before the court or the fines handled through the violation bureau.

The Court Clerk records the case activity and final disposition of each case in the JIS and on a manual backer sheet in the case file. For 6 of 14 closed cases tested the disposition was not noted on the backer sheet and only 1 backer sheet contained indication of the Municipal Judge's review and approval of the disposition. In addition, the Court Clerk does not print the final docket that documents the case activity recorded in the system for the Municipal Judge's review and approval.

To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the final docket or manual case file to indicate approval of the recorded disposition.

2.4 Ticket accountability

The municipal division and the police department do not work together to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

The police department issues both manual and electronic tickets. The police department maintains records to track manual ticket books assigned to each officer and a log of voided tickets, however, neither the police department nor the municipal division have procedures in place to account for the numerical sequence and ultimate disposition of all manual and electronic tickets issued.

Our review of all ticket numbers entered into the JIS during the year ended December 31, 2018, identified approximately 1,300 unaccounted for tickets. Sequence gaps may occur because tickets have been voided or were issued before or after 2018. We selected 25 tickets within these sequence gaps for further review. Two of the tickets had been voided and 2 issued prior to 2018, but neither division nor police department personnel could locate the remaining 21 tickets.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and police department cannot ensure all tickets are properly submitted for processing. A record should be maintained to account for the ultimate disposition of each ticket to decrease the risk of loss, theft, or misuse of funds.

2.5 Case records

The municipal division does not maintain case records in a complete manner. The Court Clerk could not locate 20 manual case files requested during the audit with case filing dates ranging from March 2013 through September 2016. These files included 3 of 15 cases selected from the April 22, 2019, listing of cases with accrued costs and 17 of 25 cases selected from the May 2, 2019, listing of open items.

Supreme Court Operating Rule 4.03 requires municipal divisions to maintain all documents filed from initiation to final termination of the case and a docket or backer sheet for each case. Retention of applicable records is necessary to properly account for the municipal division's financial activity.

Recommendations

The City of Bel-Ridge Municipal Division:

2.1 Routinely review the list of open items and disburse or dispose of monies as appropriate.

2.2 Ensure summonses and warrants are issued after defendants fail to appear at court.

2.3 Ensure the Municipal Judge reviews and approves the final disposition on all case files.

2.4 Work with the police department to ensure the numerical sequence and ultimate disposition of all tickets is accounted for properly.

2.5 Ensure necessary records are retained.

Auditee's Response

2.1 We have begun reviewing cases with open items, and we will establish procedures to ensure cases with open items are reviewed periodically.

2.2 We will comply with existing case management procedures when the defendant fails to appear in court.

2.3 The Municipal Judge has begun approving amended tickets and will ensure all case files contain indication of her review and approval.

2.4 We have executed a memorandum of understanding with the police department that all voided, refused, and/or lost and damaged ticket numbers will be shared with the court.

2.5 We will continue to work to ensure old case records are located and organized.

3. Excess Revenues

The city did not timely prepare and submit the financial report addendum containing excess revenue calculations.

Section 479.359, RSMo, requires cities to submit to the State Auditor's Office (SAO) an addendum to the city's annual financial report containing an accounting of annual general operating revenue, total revenues from fines, bond forfeitures, and court costs for municipal ordinance violations and minor traffic violations, and the percent of annual general operating revenue from fines, bond forfeitures, and court costs for municipal ordinance violations and minor traffic violations. Code of State Regulations, 15 CSR 40-3.170, requires the city to submit the addendum to the SAO within 6 months of the city's fiscal year end. The city's financial report and addendum for 2018 was due by June 30, 2019, but was filed with the SAO on September 12, 2019.

To ensure compliance with state law, the municipal division and the city should implement procedures to promptly prepare and submit the addendum annually to the SAO.

Recommendation

The Bel-Ridge Municipal Division work with the city to ensure the addendum is prepared annually and submitted to the SAO by the statutory due date.

Auditee's Response

We have executed a memorandum of understanding with the city to ensure the addendum is filed pursuant to state regulation.

Twenty-First Judicial Circuit
City of Bel-Ridge Municipal Division
Organization and Statistical Information

The City of Bel-Ridge Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable Gloria Clark Reno serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division utilizes OSCA's statewide automated case management system known as JIS.

Personnel

At December 31, 2018, the municipal division employees were as follows:

Title	Name
Municipal Judge	Felica Ezell Gillespie
Court Clerk	Chanell Harris
Prosecuting Attorney[1]	Sam Alton

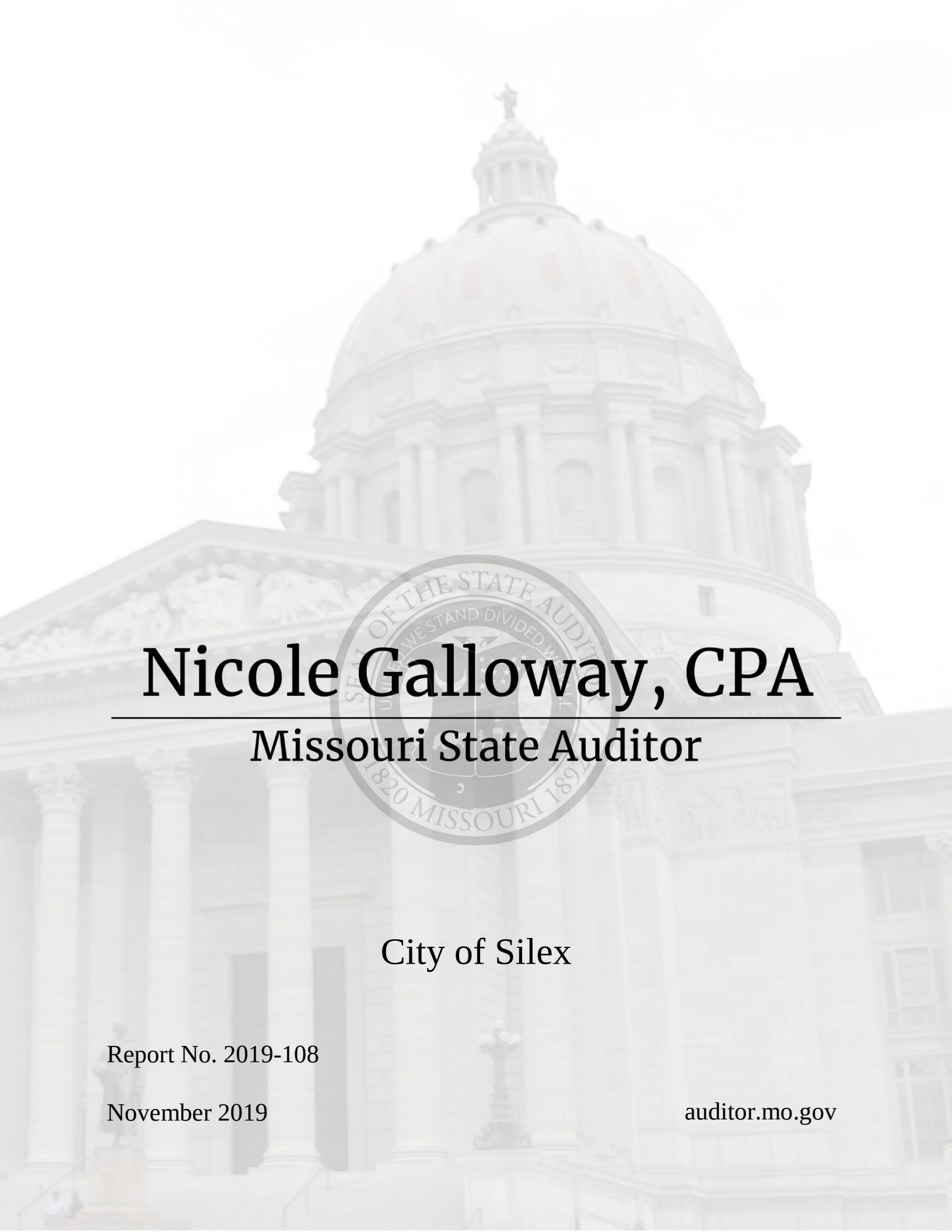
[1] Keith Chung was appointed in April 2019 after Sam Alton resigned.

Financial and Caseload Information

	Year Ended December 31, 2018
Receipts	$309,965
Number of cases filed	4,712

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	$ 12.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	2.00
Court Automation	7.00
Inmate Security (Biometric Verification)	2.00



Nicole Galloway, CPA

Missouri State Auditor

City of Silex

Report No. 2019-108

November 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Silex

Financial Condition	The General Fund is in poor financial condition. This problem is not expected to improve significantly in the immediate future.
Budgets and Financial Reporting	The Board does not have adequate procedures to prepare or monitor budgets. The financial statements have not been published for the year ended December 31, 2018. City officials did not file timely annual financial reports with the State Auditor's Office as required by state law. The city has not obtained annual audits of its sewer system as required by state law.
Restricted Funds and Recording Financial Transactions	The city uses restricted monies to finance general operations of the city. The city does not have controls and procedures to ensure revenues and disbursements are accurately and consistently recorded.
Disbursements	Significant improvement is needed in the city's disbursement documentation and review procedures. The city reimbursed unreasonable and/or unnecessary purchases made by city personnel while attending a training seminar. The city does not have procedures to adequately monitor fuel card accounts and fuel use to detect unauthorized use. City officials did not always solicit bids or proposals as required by city policy. The city did not prepare and file 1099-MISC forms with the Internal Revenue Service, as required, for legal services received for the year ended December 31, 2017.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured a documented supervisory or independent review over various financial accounting functions is performed. Controls and procedures over bank accounts and reconciliations need improvement. The city does not maintain adequate records of spring and fall event monies received, and as a result, the city cannot ensure all monies collected are accounted for and deposited.
City Procedures	The Board did not swear in the mayoral candidate elected on April 3, 2018, or comply with a subsequent Prosecuting Attorney's order for the appointed mayor to resign. The combination of the positions of City Administrator and Police Chief violates state law and creates a potential conflict of interest.
Payroll and Related Issues	City officials did not ensure payroll taxes were paid as required and some compensation was reported on employee W-2 forms. The city's personnel policy does not adequately address overtime and established policies are not always followed. Employment records for employees are not complete.
Utility System	City officials do not reconcile the total gallons of water billed to the gallons of water pumped, and as a result, significant differences are not investigated. City water deposits charged do not comply with city ordinance. City procedures for discontinuing services and receiving partial payments do not comply with city ordinance.
Ordinances	City ordinances are not codified or complete.

Police Department	The Police Chief has not established adequate controls and procedures over seized property. The police department has not developed adequate procedures to account for the numerical sequence of tickets and the ultimate disposition of manual tickets issued.
Street Maintenance Plan	City officials have not developed a formal annual maintenance plan for city streets.
Capital Assets	Controls and procedures over city property need improvement.

In the areas audited, the overall performance of this entity was **Poor**.*

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Silex
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Silex, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Silex. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

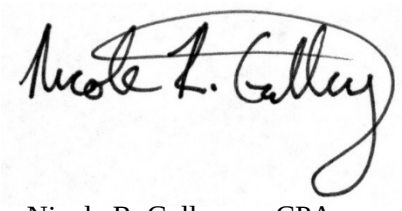
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Silex.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Chris Vetter, CPA, CGAP
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Rachel Cline, M.S. Acct., CPA

1. Financial Condition

The General Fund is in poor financial condition. This problem is not expected to improve significantly in the immediate future.

The General Fund is used for most of the city's financial activity and various recent events have contributed to a lower fund balance. The city is transferring monies from restricted funds to finance the general operations of the city (see MAR finding number 3). In addition, the Board of Aldermen is not adequately monitoring the city's financial condition. As a result, the Board is not in a position to make financial decisions that could strengthen fund balances (see MAR finding number 2).

For the year ended December 31, 2018, the city transferred restricted utility monies totaling $141,181 to the General Fund. Transfers included (1) $75,570 from the Water Fund (87 percent[1]) and (2) $65,611 from the Sewer Fund (60 percent[1]). Thus, the city is transferring the majority of revenues from restricted utility funds in order to subsidize the General Fund.

The following table presents the changes in the General Fund balance for the 4 years ended December 31, 2018.

	Year Ended December 31,			
	2018	2017	2016	2015
Beginning Fund Balance	$ 6,114	18,287	9,812	10,761
Deposits	145,294	205,814	516,290	258,642
Transfers in	218,583	388,070	13,014	8,361
Total Funds Available	369,991	612,171	539,116	277,764
Less: Disbursements	364,723	604,119	458,355	239,176
Less: Transfers out	820	1,938	62,474	28,776
Ending Fund Balance	4,448	6,114	18,287	9,812
Fund Balance Increase/(Decrease)	$ (1,666)	(12,173)	8,475	(949)

Source: The city's bank statements.

Cash flow

The city has struggled to generate sufficient cash flow to sustain operations and the General Fund will be further strained as a result of several significant additional costs. The city owes $256,527 (including interest of $73,027) for debris removal from a June 2015 flood. In addition, city personnel have not filed and remitted federal and state payroll taxes for calendar year 2018 totaling $21,176 (see MAR finding number 7.1). A review of the fall and spring events indicated the events lost $2,407 and $628 respectively, resulting in additional strain on the General Fund (see MAR finding number 3.2). Also, the city's tornado siren is inoperable and replacement will cost between approximately $14,500 and $21,000. The Mayor also indicated, as of May 16,

[1] Percentage of the fund's operating revenues.

2019, the city has outstanding payables totaling $90,378 and has not paid bond principal and interest totaling $23,815 due April 1, 2019.

The Missouri Department of Natural Resources (DNR) has notified the city its water system is not in compliance with the requirements of the Radionuclide Rule of the Safe Drinking Water Act. As a result, the city may begin incurring a penalty of $100 per day for noncompliance with Section 640.131, RSMo. Three options presented to the city to address the city's water system issue range in cost from approximately $1.1 million to $1.7 million.

It is essential the Board address the financial condition of the city's General Fund in both the immediate and long-term future. In addition, the Board needs to develop a plan to pay existing obligations and fund future projects. Further, the Board should reduce spending where possible, evaluate controls and management practices to ensure efficient use of resources, monitor detailed financial data that includes cash balances for each fund, and closely monitor budgets.

Recommendation

The Board of Aldermen ensure it receives detailed financial data monthly, perform long-term planning, and closely monitor and take necessary steps to improve the city's financial condition.

Auditee's Response

The City of Silex's current administration welcomes and accepts all of the State Auditor Office's (SAO) recommendations. The city has already implemented nearly all of those recommendations. However, given the financial insolvency and record keeping lapses from the previous administration, implementation of the remaining recommendations will require additional funds and additional effort from a limited volunteer staff. Despite these difficult hurdles, the city is committed to implementing all of the recommendations at the earliest opportunity.

On April 2, 2019, the citizens of Silex elected a new Mayor and a new Alderman. However, the previous City of Silex administration tried to prevent the newly elected Mayor and Alderman from taking their oaths of office and assuming their responsibilities. Indeed, as this audit discusses later, the previous administration mounted a similar effort in 2018, which improperly forced the duly elected Mayor from his position. Due to similar improper conduct in 2019, the newly elected Mayor and Alderman were forced to be sworn in by the Lincoln County Circuit Judge. Even when sworn in, the previous administration refused to give the new Mayor access or keys to City Hall. Once sworn in, the newly elected Mayor sought to protect the city's assets and records by changing the locks to City Hall, in the company of the County Sheriff.

As evidenced by the later discussions in this audit, the new Mayor's efforts to protect the city's records and assets were warranted. The new administration found the city's records, files, assets, and finances in disarray.

It should be noted by the readers of this audit that nearly all of the negative findings relate to events that occurred before the new administration took over. The new administration welcomes this audit and agrees with nearly all of the audit's findings as they relate to the previous administration's actions. It must also be noted that the SAO has informed the city that the SAO did not review all of the city's transactions. Therefore, the city wants its citizens to understand that there are more issues than those that were included in this report that the city must address and remediate.

The city fully accepts and has implemented the SAO's recommendations concerning the city's financial condition.

The General Fund was indeed in poor financial condition when the new administration took over. The previous administration had left the city with only $16,045.86 and current debts of $130,928.55 (not including unpaid taxes and long-term debt obligations).

The new administration is taking aggressive steps to improve its finances, including laying off personnel and selling surplus property. The city is now run largely with volunteers.

The new administration no longer transfers monies from restricted funds to finance the general operations of the city (see MAR finding number 3). In addition, the new Board of Aldermen (new Board) is now monitoring the city's entire financial condition in detail at each public Board meeting. As a result, the Board is making financial decisions to strengthen fund balances (see MAR finding number 2).

The reference to a $256,527 liability from the June 2015 flood refers to a claim by a contractor that has not been resolved. The city is actively working to provide Missouri's State Emergency Management Agency with the documentation that will allow this contractor to be paid from Federal Emergency Management Agency funds. The previous administration had not provided the required documentation and left the files scattered throughout the city's offices, much of which are missing. This has made it extremely difficult for the new administration to provide the required documentation.

The new administration and Board are developing a plan to pay existing obligations and to fund future projects. This is being accomplished by aggressively reducing spending where possible, implementing controls and management practices to ensure efficient use of resources, monitoring detailed financial data that includes cash balances for each fund, and closely monitoring budgets.

2. Budgets and Financial Reporting

City officials did not prepare complete and accurate annual budgets or monitor budgets appropriately. They also did not publish semiannual financial statements, file annual financial reports, or obtain required audits for the city's sewer system.

2.1 Budgets

The Board does not have adequate procedures to prepare or monitor budgets.

Preparation

The city's budgets do not contain all statutorily required elements. The fiscal year 2017 and 2018 budgets did not include the actual or budgeted amounts for the 2 preceding years or the city's indebtedness information. In addition, the fiscal year 2018 budget did not include the actual beginning and estimated ending cash balance for any funds, a budget message, or a budget summary. Also, as of September 2019, the Board has not prepared and passed a budget for calendar year 2019. As a result, the Board is not using all available information to assist in effectively managing the city and the public is not provided a complete overview of city finances.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. Section 67.080, RSMo, provides that no expenditures of public monies should be made unless it is authorized in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, serves as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in providing information to the public about city operations and current finances and in setting the tax levy and utility rates.

Monitoring

The Board does not adequately monitor budget-to-actual receipts and disbursements. Detailed year-to-date budget-to-actual reports of financial activity are not presented to the Board. As a result, actual disbursements had already exceeded the annual budgeted amount in the Sewer Fund by $38,896 through December 31, 2018, without the Board knowing the budget has been overspent. The former City Administrator indicated city officials do not amend budgets.

Without appropriate financial data, it is apparent the Board is not adequately monitoring the city's financial condition on a regular basis. In addition, Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted, but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. Proper monitoring and amending prior to disbursing funds is necessary for the budget to be an effective management tool and comply with state law.

2.2 Published financial statements

The financial statements have not been published for the year ended December 31, 2018. As a result, information regarding the city's financial activity and condition is not available to citizens.

City ordinance 130.140 requires the Board to publish semiannual financial statements in January and July each year. In addition, Section 79.160, RSMo, requires the Board to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city.

2.3 Filing of financial reports

City officials did not file timely annual financial reports with the State Auditor's Office as required by state law. The city's financial report for the year ended December 31, 2017, due by June 30, 2018, was not filed until September 10, 2018. In addition, financial reports were not filed for the years ended December 31, 2015, and 2016.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office. Section 105.145(5), RSMo, prohibits elected officials from continuing to receive compensation or processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the State Auditor's Office. Section 105.145(9), RSMo, allows political subdivisions to be fined $500 per day for missing filing deadlines. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year.

2.4 Annual audits

The city has not obtained annual audits of its sewer system as required by state law. Section 250.150, RSMo, requires the city obtain annual audits of the sewer system and the cost be paid from revenues received from the system. The city is also required to obtain annual audits as a condition of bond covenants.

Recommendations

The Board of Aldermen:

2.1 Prepare accurate annual budgets that contain all information required by state law, and ensure the budgets are adequately monitored.

2.2 Ensure publication of the city's semiannual financial statements as required by state law.

2.3 Submit annual financial reports to the State Auditor's Office as required by state law.

2.4 Obtain annual audits of the sewer system as required by state law and bond covenants.

Auditee's Response

The city fully accepts and will implement the SAO's four recommendations concerning the city's budgets and financial reporting.

2.1 It is true that the previous administration did not prepare complete and accurate annual budgets or monitor budgets. Nor did the previous administration prepare or publish statutorily required semi-annual financial statements. Indeed, the previous administration left the city's financial records in disarray.

However, the city has undertaken the reconstruction of its financial records, which has been a very long, difficult, and ongoing process. The city now prepares and publishes semiannual financial statements. It also has current financial statements available to the Board and the public at each monthly public Board meeting

When due, the city will now be able to file its annual financial statements. The city will also obtain the required audits for the city's sewer system when funds become available to do so.

The city agrees that a complete and well-planned budget is needed to (1) meet statutory requirements, (2) serve as a useful management tool to establish specific financial expectations for each area of city operations, and (3) provide information to the public about city operations and current finances. Because of the lack of adequate or reliable documentation from the previous administration, it has been difficult to determine the city's current financial position, current financial obligations, future income, and future expenses. Compounding this lack of documentation is the lack of funds needed to hire the required professionals to assist the city in obtaining and properly recording this information. However, the new administration has been working in earnest to prepare an accurate budget that has validity and is striving to have an accurate budget in place for 2020.

It is true that the previous administration failed to adopt, use, or update a budget to monitor the city's finances and expenditures. This is one of the reasons that the city now faces a financial crisis.

The new city administration is committed to developing an accurate and valid budget, using that budget to monitor the city's finances, and plan the city's activities. The new administration will also keep expenditures to budgeted amounts until a proper budget amendment is adopted that does not result in deficit spending.

2.2 Although the previous administration did not publish the required financial statements, the new administration has now done so. The

new city administration did not expend funds until the financial statement was published. As noted earlier, the new administration has current financial statements available to the Board and the public at each monthly public Board meeting that include a full and detailed account of the receipts and disbursements.

2.3 The failure of previous city personnel to prepare and timely file the city's annual financial reports with the SAO (as required by state law) has presented the current city government with many challenges. The most significant one for this finding is the work required to recreate the data on which to build accurate reports and budgets. The city will file its 2019 annual financial report within 6 months of the end of 2019.

2.4 The city is looking forward to an audit of the sewer system to ensure that the new practices that have been implemented meet not only the needs of the city and its financial obligations, but the law as well. The city has already raised the property taxes to ensure there would be enough funds to meet the city's bond obligations. The city plans to put that tax money into a separate fund used only to pay the bond obligations.

3. Restricted Funds and Recording Financial Transactions

The city has not established adequate procedures to ensure revenues and expenditures are credited to the appropriate fund or to ensure restricted monies are used only for intended purposes.

The receipt and disbursement information in the computerized accounting system may not be complete and accurate. Receipts and disbursements are not recorded consistently to the correct fund or account, all interfund transfers and several deposits did not include supporting documentation, and revenue and expense accounts are not reviewed and reconciled to ensure accuracy. As a result, we could only present summarized information from city bank statements in the Schedule of Receipts, Disbursements, and Changes in Cash Balances included in the Organization and Statistical Information section of this report.

3.1 Transfers and commingling of funds

The city uses restricted monies to finance general operations of the city. The Board has not established controls to ensure transfers between funds are proper, documented, and approved by the Board. In addition, minutes do not document the discussion or approval of transfers. As a result, restricted monies are commingled with general operating funds and are not always used for their intended purpose and misuse of restricted funds may occur. The city transferred $75,570 and $65,611 from the Water Fund and Sewer Fund, respectively, during the year ended December 31, 2018.

Transfers

The city does not prepare supporting documentation for amounts transferred from the Water Fund and Sewer Fund to the General Fund that have been used to pay city operating expenses.

Transfers from restricted funds to General Funds should occur only for allowable and specific purposes, and the reasons should be adequately documented and approved by the Board.

Deposit and disbursements

The city does not ensure restricted monies are properly deposited and disbursed. A review of deposits and disbursements of restricted monies identified the following issues:

- The city deposited water and sewer revenues totaling $1,496 and $1,744, respectively, into the General Fund checking account. In addition, sewer revenues totaling $2,451 and $5,731 were deposited into the Renovation Fund and Water Fund checking accounts, respectively. The former City Administrator could not explain why these deposits occurred.

- The former City Administrator indicated he incorrectly paid $623 of the public works employee's salary from the Sewer Fund instead of the Water Fund in August 2018. In addition, the city incorrectly paid salaries totaling $2,728 from the Water Fund instead of from the General, Sewer, and Police Funds during the year ended December 31, 2017.

Monies received should be deposited into the appropriate bank account. Section 250.150, RSMo, restricts the use of water and sewer monies for operating the systems, payment of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems.

3.2 Recording and allocation of revenues and disbursements

The city does not have controls and procedures to ensure revenues and disbursements are accurately and consistently recorded. As a result, financial statement information is not accurate, complete, and useful when assessing results of city operations. Our review noted several issues.

Allocation

The former City Administrator indicated he transferred monies from several funds to cover payroll expenses, but had no documentation to justify the allocation of the amounts transferred. As a result, restricted monies may have been used to pay employees performing work for the city's general operations. In addition, city personnel allocate fuel costs equally between the Police, Public Works, Water, and Sewer Funds, but could not provide documentation to justify the allocation to the various funds.

To ensure funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria and documentation supporting allocation decisions should be retained.

Recording

A review of disbursements determined $6,065 in fall festival disbursements were incorrectly recorded as spring tractor pull disbursements. In addition, $1,700 in spring tractor pull disbursements and $1,163 in fall festival disbursements were recorded as "other" in the Renovation Fund. Two additional fall festival disbursements were not recorded. As a result, fall festival disbursements were understated by $13,978 and the spring tractor pull disbursements were overstated by $4,365. The city lost $2,407 and $628 on the fall festival and spring tractor pull events, respectively. In addition, poor records and inconsistent recording of transactions could result in greater losses.

City personnel recorded several transactions under "other" for both revenues and disbursements. As a result, they cannot determine the specific source for revenues or cost associated in the "other" account. The city's financial statements include $155,226 in "other revenues" out of total revenues of $1,441,362 for the year ended December 31, 2018.

The proper recording of revenues and disbursements is necessary to accurately determine the results of operations of specific activities, thus enabling city officials to establish the level of taxation and/or user charges necessary to meet all operating costs.

Recommendations

The Board of Aldermen:

3.1 Establish a process to ensure transfers between funds are proper, approved, and timely. In addition, the Board should ensure monies received are deposited in the appropriate bank accounts and restricted monies are spent for allowable purposes only. The Board should also develop plans to repay the amounts owed to the Water and Sewer Funds.

3.2 Allocate disbursements to city funds based on specific criteria and retain documentation to support the allocation. In addition, ensure revenues and disbursements are properly recorded.

Auditee's Response

The city accepts and will adopt the SAO's two recommendations. However, due to the magnitude of the previous administration's improper transfers of restricted funds, and the limited financial resources available to the city, the repayment of amounts owed to the Water and Sewer Funds will require a long-term plan.

The new administration shares the SAO's frustration with the previous administration's financial record keeping. Revenues and expenditures were not credited to the appropriate fund, which allowed restricted monies to be used for other purposes. The information in the computerized accounting system was not complete or accurate and had to be painstakingly recreated or verified. Transactions did not include supporting documentation, and

revenue and expense accounts were not reviewed and reconciled to ensure accuracy.

3.1 The previous administration used significant sums of restricted monies to finance general operations of the city. The new administration has not done so, and has established controls to ensure transfers between funds are proper, documented, and approved by the Board. Restricted monies are no longer commingled with general operating funds and are now used only for their intended purposes.

The previous administration's failure to prepare or keep supporting documentation for amounts transferred from the Water Fund and Sewer Fund to the General Fund to pay operating expenses has caused the current administration significant difficulties in formulating an accurate budget. Transfers from restricted funds to General Funds will now occur rarely and only for allowable and specific purposes, with reasons documented and approved by the Board at open meetings.

The new administration has corrected the previous administration's failure to ensure that restricted monies are properly deposited and disbursed. Monies received are now deposited into the appropriate bank account. Water and sewer monies will only be used for operating the systems, payment of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems.

3.2 The new administration is implementing controls and procedures to ensure that revenues and disbursements are accurately and consistently recorded.

Since the new administration took over in April 2019, all monies received are broken down and deposited into the proper accounts and no monies are transferred out of any of the accounts without the knowledge and consent of the Board. There are no transfers made out of restricted accounts into General Funds except for wages paid to the city worker to cover actual hours worked on the water and sewer systems.

There are funds transferred out of the Sewer account and into a segregated Sewer money market account monthly so it can draw a little interest and to have it available to pay for the sewer bonds coming due. This is to ensure that the money is not inadvertently spent on other outstanding debt other than the bonds.

The previous administration's lack of accurate recording of revenues and expenses is very troubling. As the SAO notes, it has been difficult to determine the legitimacy of various transactions. It has also made it extremely difficult to accurately determine the results of operations of specific activities and compiling a meaningful budget. The prior Board had no control over where the monies were deposited, spent, or recorded. That is simply not allowed by this administration. Any and all financial transactions are recorded properly and with the knowledge and consent of the Board.

4. Disbursements

City disbursements were not properly supported or approved and some disbursements were questionable. In addition, the city did not properly bid or report some disbursements as required.

4.1 Disbursement documentation and review

Significant improvement is needed in the city's disbursement documentation and review procedures. We reviewed disbursements made between January 2018 and April 2019.

Unsupported disbursements

Our review identified disbursements that did not have supporting documentation and no one could explain their purpose.

City personnel could not provide supporting documentation for 14 checks totaling $6,212 written to the former City Administrator and signed by the former City Administrator and former Mayor. Two of these checks, totaling $1,256, were handwritten when common city practice was to issue printed checks. City personnel were unaware of the purpose of the checks or if the disbursements were for a city purpose. We attempted to obtain an explanation of the purpose of the disbursements, how they related to city business, and any supporting documentation from the former City Administrator in June 2019, but as of September 27, 2019, no response was provided.

City personnel could not provide detailed invoices for 5 of 20 disbursements, totaling $5,913, reviewed for the year ended December 31, 2018. Disbursements included purchases of building supplies ($2,609), police equipment ($1,869), training ($400), a city sponsored Easter egg hunt ($161), and uniforms ($874). Detailed invoices documenting quantity, price, and items purchased were not included with the payment. In addition, city personnel did not have supporting documentation for 12 non-payroll checks, totaling $5,050, made payable to some city police officers and an electronics store purchase, totaling $447, made by the former City Administrator. City personnel obtained a copy of the receipt from the electronics store and determined it was for a camera, but the camera cannot be located in city offices and city personnel could not provide additional information about the purpose of the camera purchase.

Approval of invoices

City personnel did not document their review and approval of invoices or the receipt of goods or services. We identified 19 of 20 invoices reviewed totaling $35,455 that did not have documented approval.

To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be reviewed, approved, promptly recorded with sufficient details in the accounting records and supported by paid receipts, itemized vendor invoices, or other detailed documentation with payment information clearly indicated.

4.2 Questionable purchases

The city reimbursed unreasonable and/or unnecessary purchases made by city personnel while attending a training seminar at the Lake of the Ozarks. As noted in MAR finding number 9, the city has not established a travel policy to clearly document travel costs to be reimbursed.

A review of disbursements reimbursed for the training trip noted meal charges of $120, $198, and $162. The receipts indicated costs were for one person and a detailed receipt showing the items purchased was not included. In addition, we noted reimbursements for sunscreen and cigarettes. Further, the payment to reimburse the $120 meal was duplicated.

Public funds should be spent only on items necessary and beneficial to the city. Citizens have placed a fiduciary trust in their public officials to spend city monies in a prudent and necessary manner.

4.3 Fuel cards

The city does not have procedures to adequately monitor fuel card accounts and fuel use to detect unauthorized use. The city also does not ensure fuel card access is restricted after an employee is placed on administrative leave, and, as a result, employees on administrative leave purchased fuel with city fuel cards. City employees make the majority of fuel purchases using fuel cards they share. For the year ended December 31, 2018, the city paid vendors $16,874 for fuel charged.

From April 10, 2019, through April 22, 2019, the former City Administrator and 4 other employees made 10 fuel purchases totaling $504. These individuals had been put on administrative leave on April 10, 2019. City officials were not aware they continued to use city fuel cards until we discussed this issue with them in May 2019. City officials also do not require current public works and police department employees to turn in individual fuel tickets for each fuel card purchase and usage or fuel logs are not required for any city vehicles, making it difficult to determine if all fuel purchases are for city vehicles.

Adequate controls should be in place to properly monitor fuel card use to ensure accuracy, necessity, and reasonableness. Requiring fuel tickets be signed by the user, submitted to the City Clerk, and reconciled to invoices

helps provide assurance the fuel billed was charged by city personnel and fuel disbursements were reasonable and necessary. Failure to account for fuel purchases could result in loss, theft, or misuse going undetected. Without complete and detailed usage/mileage logs, the city cannot effectively monitor the appropriateness of vehicle use and ensure fuel costs are reasonable.

4.4 Procurement procedures and contracts

City officials did not always solicit bids or proposals as required by city policy. Also, they could not provide some written contracts and some contracts were not sufficiently detailed. The Board selected the city attorney in August 2014 without soliciting proposals and has not solicited proposals for city attorney/legal services since that time. In addition, city officials did not retain support documenting that the city obtained bids prior to purchasing a police car for $9,000. Also, city officials did not obtain bids for equipment purchased/rented, totaling $7,378, including drilling services ($904), sled rental ($1,200), and uniforms ($874). No one could provide a written contract for the city's current accounting services and the former city attorney's contract did not clearly document monthly charges for municipal court services provided.

City procurement policy states, "…written quotes should be obtained for all purchases in excess of $250." Competitive bidding helps ensure the city receives fair value by contracting with the lowest and best bidders. In addition, bidding helps ensure all parties are given an equal opportunity to participate in the district's business. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

4.5 1099-MISC forms

The city did not prepare and file 1099-MISC forms with the Internal Revenue Service (IRS), as required, for legal services received for the year ended December 31, 2017. During the year, the city paid $10,700 for legal services.

Sections 6041 through 6050W of the Internal Revenue Code require non-wage payments of at least $600 in one year for professional services or for services performed as a trade or business by non-employees (other than corporations, except for medical and legal services), be reported to the federal government on 1099-MISC forms. To ensure compliance with IRS requirements, the city should ensure 1099-MISC forms are issued in all applicable instances.

Recommendations

The Board of Aldermen:

4.1 Maintain adequate supporting documentation for all disbursements and ensure all disbursements are recorded in the accounting system. The Board should ensure invoices are adequately reviewed and approved and require documentation of receipt of goods and/or services prior to payment of invoices.

4.2 Ensure all disbursements are necessary and prudent uses of public funds.

4.3 Ensure all credit card accounts are properly monitored and credit cards are turned in by employees when their employment has been terminated or suspended. The Board should also establish adequate records and procedures to effectively monitor vehicle and fuel use. Fuel tickets should be submitted to the City Clerk and reconciled to fuel invoices. Usage/mileage logs should be maintained for all vehicles and compared to fuel use.

4.4 Ensure formal bidding policies and procedures are followed, periodically solicit proposals for professional services, and enter into clearly written agreements for those services.

4.5 Ensure payments totaling greater than $600 to non-employees and businesses are properly reported to the IRS. The city should file amended 1099-MISC forms for past years.

Auditee's Response

The city accepts and will adopt the SAO's five recommendations concerning disbursements.

The new administration has taken steps to ensure that there are no disbursements paid without a reimbursement form being completed and the cash register receipt attached to it. The reimbursement form includes who purchased the item, where, what was purchased, and what it was used for.

4.1 The previous administration's lack of disbursement documentation and review procedures resulted in the problems highlighted by the SAO as well as several others.

Many of the previous administration's disbursements did not have supporting documentation and the previous staff could not adequately explain the specific purpose of those disbursements.

Going forward, supporting documentation of the quantity, price, and items purchased, as well as a clear statement of the specific purpose of the disbursement will be required for each check. All checks will be printed rather than handwritten.

The lack of proper documentation is not just a bookkeeping problem. The city has not been able to recover all assets that were represented to have been purchased with city funds -- such as the camera.

The current administration agrees that the previous administration's lack of proper review and approval of invoices or the receipt of goods or services has had significant negative consequences for the city.

To ensure that obligations are actually incurred for a proper city purpose, and the amounts paid are proper, all disbursements will be reviewed, approved, promptly recorded with sufficient details in the accounting records and supported by paid receipts, itemized vendor invoices or other detailed documentation with payment information clearly indicated. The Board will approve the payment of all bills.

4.2 *The city agrees that public funds must only be spent on items that are necessary and beneficial to the city. They must also be spent in a prudent manner. The examples of the types of expenses reimbursed by the previous administration do not meet these standards by far.*

Currently, the city has no one attending training seminars, but could in the future. Prior to that happening, the city will implement policies that clearly list a per diem for all expenses to be incurred and all expenses will need to be submitted for reimbursement using the process described above. As stated above, no one is reimbursed for any expenses without the proper documentation and authorization.

4.3 *The fuel cards have been canceled and all fuel purchased for city use is reimbursed using the reimbursement method stated above. Due to the mismanagement and abuse of fuel cards by the prior administration, the city is still trying to determine how the outstanding debt on the fuel cards will be paid. The former employees who improperly used the cards will be required to repay any unauthorized amounts.*

4.4 *After locking the doors to City Hall to regain control of the city's finances and records, the current administration had to quickly hire a new, experienced City Attorney to establish proper procedures to put the city's house in order. A complicating factor in acquiring this new attorney was that payment could not be guaranteed. The city did sign a written contract with the new attorney based on a proper ordinance authorizing its execution. That written contract clearly documents his fees. Once the city has regained some stability and ability to pay, it will seek proposals for a City Attorney.*

The city was forced to put most of its work force on administrative leave. There are no contracts signed without review from the attorney.

The city has not made any major purchases since the new administration took over in April 2019, so obtaining bids has not been an issue. The new administration will be looking into all city policies and will be updating/rewriting them as needed. This will include the procurement policy foremost, and then generally all the policies to ensure that the city's interests are protected and its activities are transparent.

4.5 1099-MISC forms will be filed with the IRS for all the years where supporting documentation exists.

5. Accounting Controls and Procedures

Numerous weaknesses exist with the city's accounting controls and procedures. The city receives monies for sales, real estate, personal property, and utility gross receipts taxes; merchant licenses; building permits; city sponsored events; and other miscellaneous items.

5.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured a documented supervisory or independent review over various financial accounting functions is performed.

The City Clerk position is responsible for most financial duties of the city including receipting monies, preparing deposits, posting transactions to the accounting system, preparing invoices for payment, maintaining payroll records, preparing and distributing payroll and accounts payable checks, preparing monthly bank reconciliations, transferring monies between bank accounts, and preparing financial reports for Board meetings. The City Clerk is also responsible for preparing utility bills and monitoring accounts receivables.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

5.2 Bank account reconciliations and fees

Controls and procedures over bank accounts and reconciliations need improvement. We identified the following issues:

- City personnel did not prepare bank reconciliations for 5 of 10 months between January and October 2018. For the 5 bank reconciliations prepared, the reconciliations did not include a detailed listing of deposits in transit or outstanding checks to support the reconciliation.

- The Board and the former City Clerk failed to monitor the city's cash balances. As a result, the city incurred $157 in overdraft and returned item fees in the general, water, and renovation bank accounts during calendar year 2018.

The preparation and retention of formal monthly bank reconciliations is necessary to ensure accounting records are accurate and in balance and to identify errors timely. To prevent bank account overdraft and minimum balance charges, city officials should more closely monitor bank account balances.

5.3 Spring tractor pull and fall festival

The city does not maintain adequate records of spring and fall event monies received, and as a result, city officials cannot ensure all monies collected are accounted for and deposited. The city deposited $39,282 from admission fees and beer sales from the 2018 spring and fall events.

The city holds an annual fall festival and spring tractor pull and collects admission fees from customers attending both events. The city also operates a beer booth at each event. Each collection point has a cash box used by volunteers to hold monies collected. Throughout the day, someone representing the city, along with a city police officer, picks up the money from the collection points and places it in the drop safe at city hall for deposit. The city does not keep a record of admission fees collected or beer sales and does not try to reconcile admissions or products sold with monies received to account for all monies collected.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected. To adequately safeguard receipts, receipt records should be prepared for event monies received and admissions and booth sales should be tracked and reconciled with monies collected.

Recommendations

The Board of Aldermen:

5.1 Segregate the accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

5.2 Ensure monthly bank reconciliations are prepared and reconciled timely, and any differences are promptly investigated and resolved. In addition, the Board should also properly monitor bank account balances to avoid unnecessary bank fees.

5.3 Ensure receipt records are maintained and reconciled to the composition of the deposits. In addition, the Board should develop procedures to track and reconcile admission fees and booth sales to monies collected.

Auditee's Response

The city accepts and will adopt the SAO's three recommendations concerning accounting controls and procedures. However, due to limited funds and personnel, full segregation of duties may not be possible. The city will have an election in April 2020 to select a City Collector, or possibly obtain voter

approval for the appointment of a City Collector to provide greater segregation of duties.

5.1 The city still has weaknesses in this area due to the fact that the city cannot afford to hire additional personnel to divide the duties of the City Clerk. However, procedures have changed providing much greater overview and the Board is provided copies of the bank reconciliation reports every month.

5.2 Bank reconciliations are not only done every month, but this administration went back to January 1, 2017, and did monthly bank reconciliations on every account since that time. Every account is now balanced and in sync with the bank. Bank balances are monitored on a daily basis and there are no overdrafts.

5.3 There was no spring tractor pull this year, but there is a fall festival planned. There will not be admission fees charged, but there will be monies charged for some games, food, and refreshments. There are plans to pick up the monies brought in at certain points during the event, but the procedures will change.

First of all, the monies will be counted at the point of pickup. The person counting the money will put the amount on a piece of paper and sign their name. The person picking up the money will also sign the document. Once at City Hall, the money will be recounted before being put into a central place for deposit into the bank. Once counted the amount will be entered on the same paper and a second person acting as a witness of the money count will sign the document.

We are also looking into using tickets to inventory the number of meals sold and in some instances goods sold. These inputs will be used to try to match "inventory" to sales.

6. City Procedures

City procedures need improvement.

6.1 Mayoral election

The Board did not swear in the mayoral candidate elected on April 3, 2018, or comply with a subsequent Prosecuting Attorney's order for the appointed mayor to resign. The Board stated the candidate falsely completed his application and therefore was not a qualified candidate, but provided no specific information about the falsified application or the Board's authority to decline to swear in an elected candidate.

The mayoral candidate completed and signed the Declaration of Candidacy, which was accepted by the former City Administrator prior to the election, as required. The candidate subsequently won the April 3, 2018, mayoral election

and the election results were certified by the Lincoln County Clerk on April 9, 2018. However, at the April 16, 2018, Board meeting, the Board unanimously voted not to administer the oath of office to the mayor-elect stating the candidate had falsely attested to the accuracy of his application. The Board cited the candidate had violated Section 115.306, RSMo, which states "No person shall qualify as a candidate for elective public office ….who has been found guilty or pled guilty to a felony under the federal laws…." The Board provided no other specific information and did not cite its authority to decline to swear in the elected candidate. The Board subsequently appointed another person to serve as mayor.

On July 25, 2018, the Lincoln County Prosecuting Attorney sent a letter to the appointed mayor stating "because of the election results on April 3, 2018, you are not entitled to hold that position any longer." Further the Prosecuting Attorney stated that "pursuant to the election results on April 3, 2018, election laws, and RSMO 531.010, I am respectfully requesting you to resign your position immediately without further issue. Should you fail and refuse to comply with my directive, I will be forced to take legal action to enforce the election results." In addition, the Prosecuting Attorney contacted the Missouri Attorney General's Office concerning this matter. The city did not comply with the Prosecuting Attorney's directive.

A subsequent mayoral election occurred on April 2, 2019, at which time the same candidate was again elected mayor. He was sworn into office at the Lincoln County Courthouse on April 8, 2019, by Presiding Judge Patrick S. Flynn of the 45th Judicial Circuit and is currently serving as mayor. The candidate could have previously been sworn in by the court but chose not to pursue this approach in 2018.

Chapter 115 RSMo, governs elections and provides for the methods of contesting a candidate's qualifications and election results. To ensure compliance with state law and the propriety of statutory authority, the Board should consult with legal counsel prior to any future votes regarding candidate qualifications or not swearing in an elected candidate.

6.2 Combined positions

The combination of the positions of City Administrator and Police Chief violates state law and creates a potential conflict of interest.

The former City Administrator was initially hired as a city police officer in January 2012 and promoted to Police Chief in August 2014. The Board appointed him as City Administrator in March 2015, and he continued to serve as the city's Police Chief. The City Administrator is responsible for oversight of financial functions and general supervision of the various departments and functions of the city (including the police department). The combination of these positions represents a violation of state law and resulted in potentially conflicting duties.

Section 77.044, RSMo, states that a city administrator shall devote his full time to the performance of the duties of his office. As a result, the statute would prohibit a city administrator from holding other city offices or positions.

Recommendations

The Board of Aldermen:

6.1 Consult legal counsel before any future votes on candidate qualifications or to decline to swear in an elected candidate.

6.2 Ensure the City Administrator does not serve in other city offices or positions.

Auditee's Response

The city accepts and will adopt the SAO's two recommendations concerning the city's procedures.

6.1 This administration believes the prior administration's failure to swear in the elected Mayor was illegal and should have never happened. This administration believes that no one is above the law and no one individual or group has the power or authority to override the choice of the people by not swearing in the certified winner of an election.

6.2 The city ordinance that created the position of City Administrator states the same requirement listed in the report forbidding the combination of the positions of City Administrator and Police Chief. Prior to his election as Mayor in April 2019, Charles Turbyeville brought this issue to the attention of the prior City Attorney on several occasions along with citations to applicable Missouri Ethics Commission regulations and statutes. Mr. Turbyeville also raised concerns over paying the City Administrator for "side jobs" without soliciting bids, in addition to the City Administrator's salaries for the City Administrator and Police Chief positions. The prior City Attorney refused to admit that there was anything wrong with one person holding two positions or with making payments for extra jobs without bids. Upon his election, Mayor Turbyeville corrected this illegality by removing the City Administrator. It cannot be stressed too much that this action by Mayor Turbyeville prevented further financial losses for the city. If it had been taken earlier by the prior administration when it was raised by Mr. Turbyeville, the city would not be so financially distressed.

7. Payroll and Related Issues

Payroll controls and procedures need improvement. We noted numerous problems with the city's payroll and procedures. The city had payroll expenditures of $164,994 for the year ended December 31, 2018.

7.1 Payroll taxes

City officials did not ensure payroll taxes were paid as required and some compensation was not reported on employee W-2 forms. City officials failed to timely file and remit federal payroll taxes, totaling $17,666 to the IRS for the 2 quarterly periods ending September 30, 2018. In addition, the city did not file and remit state payroll taxes totaling $3,510 to the Missouri Department of Revenue for at least the 3 quarterly periods ending September 30, 2018. City officials also indicated payroll taxes were not paid in previous years or in 2019. As a result, the city may be subject to penalties and interest.

The city paid compensation totaling $3,120 to the former City Administrator per his contract for health insurance during the year ended December 31, 2018. These payments were not included on the employee's W-2 form and as a result were not subject to payroll tax withholdings.

The Internal Revenue Code requires employers to file a 941 form by the last day of the month following the end of the quarter, along with payment of Social Security and Medicare taxes withheld from employees and the employer's share, as well as federal income taxes withheld. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. The IRS requires employers to report all compensation on W-2 forms and withhold and remit income and payroll taxes.

7.2 Personnel policies

The city's personnel policy does not adequately address overtime and established policies are not always followed.

Nonworking time (vacation, sick leave, and holidays) is included in total hours worked when determining the amount of overtime earned by employees, which is not required by the Fair Labor Standards Act. As a result, the city has been paying more overtime to employees than required. The city does not have a policy addressing the hours (nonworking time) to be considered when calculating overtime.

City officials also do not follow an established policy regarding paying employees for lunch periods. The city payroll policy states, "Lunch period is one hour and is unpaid. Employees should clock out and clock in via timesheet or time card stamp." During our review of employee timesheets, we noted employees were not clocking out and back in to indicate their lunch hour. The former City Administrator indicated employees are paid for lunch.

Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated.

7.3 Incomplete personnel records

Employment records for employees are not complete. We reviewed the personnel files for 6 employees to ensure proper documentation was maintained. Our review of the personnel files noted 2 employees' files were missing the I-9 form and the form was incomplete for the other 4 employees.

In addition, the state W-4 form was missing for 4 employees and 1 employee file was missing the federal W-4 form.

Complete personnel records should be maintained for all employees to provide documentation of personnel actions. The IRS requires employers to ensure a W-4 form is completed by each employee to support payroll withholding and taxes. In addition, according to the Immigration Reform and Control Act of 1986, an individual may not begin employment unless an I-9 form is completed.

Recommendations

The Board of Aldermen:

7.1 Ensure payroll tax returns are filed timely and delinquent payroll taxes are remitted. In addition, the Board of Aldermen should ensure previous years' W-2 forms are amended, as appropriate, and compensation is properly reported and subjected to proper withholdings.

7.2 Review and update the personnel policy, as necessary, and ensure compliance with the policy.

7.3 Ensure employment records are maintained and complete for all employees.

Auditee's Response

The city accepts and will adopt the SAO's three recommendations concerning the city's payroll and related issues.

7.1 It has been discovered that payroll taxes were not paid in 2015, 2016, 2017, 2018, or 2019. The city is trying to determine how it will find the funds to pay these taxes. Meanwhile, the city has changed the way payroll will be handled. The monies to pay payroll will come from a separate account and the monies subtracted from the employee's checks for withholding will be left in this separate payroll account until the end of the quarter, so it can be sent along with the appropriate 941 form to the taxing agencies. Furthermore, the amounts needed to cover the employer's portion of Medicare and Federal Insurance Contributions Act withholdings will be added to the payroll account when the checks are paid so it will be there when the amounts become due. The 941 forms will be filed on time accompanied by the payment under the new administration.

7.2 All existing city policies are being reviewed. Most of them were created by the prior City Administrator who unilaterally changed and interpreted them. The personnel policies will be rewritten by the new Board to follow accepted practices.

7.3 All employees will have the proper documentation on file including the W-4 and I-9 documents. Furthermore, those documents will be placed in their permanent personnel files. The personnel files will be maintained to the state's document retention standards.

8. Utility System

Significant weaknesses exist in the city's utility system controls and procedures. As a result, there is less assurance all utility payments have been properly recorded and transmitted. The city collected $82,797 in water revenues for the year ended December 31, 2018.

8.1 Water loss

City officials do not reconcile the total gallons of water billed to the gallons of water pumped, and as a result, significant differences are not investigated. Also, the city does not track the water usage for flushing the system, fire suppression, or fire hydrant testing. Without this usage information the city cannot properly perform the reconciliation. We compared water billings to reports of water pumped from January 2018 through November 2018 and noted the city did not bill 76 percent of the water pumped during this time period.

Tracking city usage, reconciling gallons of water billed to gallons of water pumped, and timely investigation of unexpected or significant differences is necessary to help detect significant water loss timely and ensure water usage is properly billed. According to the United States Environmental Protection Agency, most states have regulatory policies that set acceptable losses from public water systems at a maximum of between 10 to 15 percent or less.[2] The standard for Missouri established by the DNR is 10 percent.

8.2 Utility deposits

City water deposits charged do not comply with city ordinance. In addition, the city does not maintain and reconcile a listing of customer deposits held to the balance of the Water Deposit Fund checking account. The former City Administrator indicated only renters are required to pay a $150 deposit. However, city code Section 400.010, requires each water user to pay a $100 refundable deposit. The balance of the Water Deposit Fund checking account as of December 31, 2018, was $221,385; however, this amount is funding received from the Missouri DNR. None of the funds in the account are customer water deposits. City officials could not provide a list of deposits or explain why no deposits are in the account.

[2] United States Environmental Protection Agency, "Control and Mitigation of Drinking Water Losses in Distribution Systems," Appendix A, Table A-2, Selected State Standards for Unaccounted-for Water, https://www.awwa.org/Portals/0/AWWA/Government/WaterLossControl508.pdf, accessed May 28, 2019.

Compliance with the city water deposit ordinance requirement is essential to provide assurance all customers are treated equally. In addition, refundable utility deposits are restricted funds held for customers. The Board should review utility customer deposit records to ensure all deposits are accounted for properly. In addition, the City Clerk should maintain an accurate list of all utility deposits held and reconcile the list monthly to monies held in the Water Deposit Fund bank account.

8.3 Delinquent accounts and adjustments

City procedures for discontinuing services and receiving partial payments do not comply with city ordinance. The Board does not review and approve adjustments to customer accounts or a listing of delinquent accounts each month. The Utility Clerk prints and mails billings at the end of each month. Payment is due by the 10th of the following month.

Delinquent accounts

A review of customer balances noted delinquent utility accounts are not shut off after 30 days past due and a list of delinquent accounts is not provided to the Board for review as required by ordinance. In addition, the city allows some customers to make partial payments in violation of city ordinance. As of December 31, 2018, the city had 27 accounts totaling $6,206 that were at least 30 days past due. The city also charges a $45 disconnect fee when there is no ordinance establishing this fee.

City ordinance No. 1707 article V, section I, states, "All users shall be billed monthly. Billings for each month shall be made within thirty days after the end of that month. Payments are due when billings are made. Any payment not received within thirty days after the billing is made shall be delinquent." In addition, section 2 of the ordinance states "When any bill is thirty days in default, provision of water and/or sewer services to such premises shall be discontinued until such bill is paid following due notice and opportunity of hearing." City ordinance 16-03 indicates the city will not accept partial payments on past due or outstanding water or sewer bills.

Failure to enforce city ordinances results in inconsistent application of shut off procedures and reduces the incentive for customers to make timely payments. Allowing customers to receive service without paying reduces the incentive to make payments, reduces city receipts, and could impact the utility rates for other paying customers. In addition, monitoring of delinquent utility reports is necessary to identify accounts to be shut off.

Adjustments

City personnel post adjustments to customer accounts, including writing off charges caused by water leaks or incorrect meter readings, without obtaining independent approval or maintaining adequate documentation to support the reason. In addition, the Board does not review and approve all adjustments. The same employee receipts payments and posts them and billing adjustments to customer accounts with no independent supervisory review. As a result, there is an increased risk of theft and misuse occurring without being detected.

To ensure adjustments to utility accounts are valid and approved, adjustment transactions should be approved before they are made in the computer system and the posted adjustments should later be compared to the list of approved adjustments. Review and approval of adjustments by the Board is necessary to ensure adjustments made are proper.

Recommendations

The Board of Aldermen:

8.1 Ensure water use is properly metered, gallons of water pumped is reconciled to gallons billed monthly, and significant differences are promptly investigated.

8.2 Ensure compliance with the water deposit ordinance. In addition, the Board should account for all customer utility deposits previously paid, prepare an accurate list of utility deposits and reconcile to monies in the Water Deposit Fund bank account monthly, and resolve any discrepancies.

8.3 Ensure compliance with utility ordinances. The Board should also ensure utility service is shut off in accordance with city ordinance. In addition, the Board should review all adjustments made to customer accounts and require reports of delinquent utility accounts be prepared and reviewed monthly.

Auditee's Response

The city accepts and will adopt the SAO's three recommendations concerning the city's utility system.

8.1 The city has no way to track the water used to flush the system. The fire hydrants in town do not have a meter to determine the number of gallons that have flowed through them. The fire department does report the gallons of water they take from the city's water system. Those amounts were tracked by the former Public Works Superintendent, unfortunately, the prior administration did not follow through with that practice. It has been reinstated now. The city has an existing agreement with the fire department that they will not be billed for water used for fire suppression. The master meters are read on a regular basis and the daily average number of gallons is noted and if there is a large variable, the issue is investigated and corrected if needed.

8.2 When this administration took over, the account had no water deposits. There is no record of where the money went. The new administration has now reestablished the account for water deposits and is now properly depositing water deposits. The new administration is also trying to determine how to pay the fund back for monies inappropriately removed by the prior administration. Unfortunately, the water records and accounting only go back to

2017, so there is no way to know how much there should be in the account, who actually paid a water deposit, or how much was paid by each individual. This is directly due to the lack of records found in City Hall when the new administration took over.

8.3 All of the delinquent accounts have been addressed and those that were seriously late have been put on a payment plan and the overdue balances are slowly being brought current. The disconnect fee is no longer being charged.

This administration has made no adjustments to customer bills, however, a new form is being developed that will report what the adjustment is, why it is being done, the name of the customer and how it will affect the bill. Those adjustments will be included in the documents distributed for Board meetings.

9. Ordinances

City ordinances are not codified or complete. The former City Administrator stated the ordinances were out of date and he did not know when the ordinances were last codified.

- Ordinances are not maintained in an organized manner. The city uses at least five different numbering systems to number city ordinances and the table of contents is incomplete. Also, the city does not maintain an index of all ordinances passed prior to 2017. The city established a log in 2017 to document when new ordinances are passed.

- The city has not adopted an ordinance establishing elected official terms, trash rates, an employee travel policy, a conflict of interest policy, and the procedures for fuel credit card usage. In addition, ordinances have not been adopted establishing fees charged for bad checks, rental of the city community center, towing cars, and aiding with vehicle lockouts.

- The city does not have ordinances establishing the compensation for the city administrator, city clerk, public works supervisor, and police officers.

- Ordinance 130.230B establishing a fee of $0.25 per copy for public records requests is in violation of the Sunshine Law. Section 610.026, RSMo, allows a charge of $0.10 per copy.

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important ordinances be complete and organized and in compliance with state laws. In addition, ordinances documenting approved salary amounts help ensure equitable treatment and prevent any misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of all city officials and employees by ordinance.

Recommendation

The Board of Aldermen ensure ordinances are maintained in a complete and well-organized manner and an index of all ordinances passed and rescinded is established. The Board should establish, by ordinance, the terms and compensation of all city officials and employees; trash rates; procedures for fuel credit card use, travel and conflict of interest policies; and the fees charged for bad checks, community center rental, towing, and vehicle lockouts. The Board should also ensure ordinances comply with state law.

Auditee's Response

The city accepts and will adopt the SAO's recommendations concerning the city's ordinances.

This administration is appalled at the dismal state of the city's ordinances. Due to the seriousness of the city's debt and other issues encountered by this administration when it took over, the issue of reassembling the city's past ordinances has not been addressed as yet. However, new ordinances are adopted according to statutory procedure, and written with code sections so that they can be easily codified and indexed into a City Code. The new City Attorney is taking up the challenge of making sense of the prior ordinance book and proposing a comprehensive replacement -- including a searchable electronic version. In the process, it has been discovered that several provisions required of a fourth-class city were not adopted when Silex converted from a village to a fourth-class city. These omissions are being corrected.

It must be noted that although the existing ordinance concerning public information requests recites a copying fee of $0.25 per page, the new administration only charges the statutory fee of $0.10 per page.

10. Police Department

Controls and procedures over seized property and tickets need improvement.

10.1 Seized property

The Police Chief has not established adequate controls and procedures over seized property. The Police Chief and Evidence Custodian stated they could not locate the seized property evidence log. In addition, the Evidence Custodian could not provide documentation indicating when they had conducted a physical inventory and reconciled it to the evidence log, although he stated he performed a monthly inventory of all seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records including information such as description, current location, case number, date of seizure, and disposition of such property, should be maintained and periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

10.2 Ticket accountability

The police department has not developed adequate procedures to account for the numerical sequence of tickets and the ultimate disposition of manual tickets issued.

The department maintains a record of ticket books assigned to each officer; however, no procedures have been established to account for the numerical sequence of all tickets. We reviewed the list of the last 600 tickets ordered. The Police Chief could not locate or account for 175 of these 600 tickets. Some tickets had been assigned to officers but could not be located and 6 full ticket books were neither assigned to an officer nor in storage with other unassigned ticket books.

Without properly accounting for unassigned ticket books or the numerical sequence of tickets issued or voided and the ultimate disposition of tickets, the department cannot be assured all tickets are properly accounted for or submitted for processing to the circuit court.

Recommendations

The Board of Aldermen:

10.1 Maintain a complete and accurate seized property evidence log, and ensure a periodic inventory is conducted and reconciled to the seized property evidence log, and investigate any differences.

10.2 Ensure tickets are reconciled to the ticket book inventory. In addition, the Board of Aldermen should ensure the numerical sequence and ultimate disposition of all tickets issued or voided are accounted for properly.

Auditee's Response

The city accepts and will adopt the SAO's two recommendations concerning the city's police department.

10.1 The failure of the former Police Chief to establish adequate controls and procedures over property seized by the police department, and the failure of the former Police Chief and Evidence Custodian to locate the seized property evidence log, have placed the city at considerable risk.

The entire police department has been laid off due to lack of funds. Police services are being provided by the Lincoln County Sheriff for state law violations. City municipal violations are not being pursued at this time.

Two Missouri POST commissioned police officers have volunteered their time to properly inventory and document the seized property in the police department offices.

Proper procedures will be adopted before the city re-establishes the police department.

10.2 The prior Police Chief's failure to account for the numerical sequence of tickets and the ultimate disposition of manual tickets issued is a serious problem. The new City Attorney and the new volunteer police officer are beginning the task of tracking down these missing tickets.

The police department has been laid off due to lack of funds. Proper procedures will be adopted before the city re-establishes the police department.

11. Street Maintenance Plan

City officials have not developed a formal annual maintenance plan for city streets. We observed the streets in November and December 2018. While some were in generally good condition, we noted several were unpaved in the New Town section of the city and a section of roadway located near the community care center was in significant disrepair. The city has no current plans to pave or repair the roads.

A formal maintenance plan should be prepared in conjunction with the annual fiscal budget and include a description of the streets needing maintenance, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan should be included in the budget message and approved by the Board. In addition, a public hearing should be held to obtain input from citizens.

A formal maintenance plan would serve as a useful management tool and provide greater input into the overall budgeting process. A plan provides a means to continually and more effectively monitor and evaluate the progress made in the repair and maintenance of streets throughout the year.

Recommendation

The Board of Aldermen establish a formal annual street maintenance plan.

Auditee's Response

The city accepts and will adopt the SAO's recommendations to adopt a street maintenance plan.

The street maintenance plan will be one of the areas included in the new budget when it is complete. Unfortunately, due to the mismanagement of funds by the prior administration, the monies needed to maintain the streets in New Town are not available and the attempt to just dump rock on the existing streets without property preparing the road bed resulted in more debt and no improvement because the rock was simply washed away by the weather. The motor fuel tax is being used to pay down the debt incurred by the prior administration. Once it is paid off and we again have the ability to

purchase more rock, we will properly address how to repair the roads in New Town.

12. Capital Assets

Controls and procedures over city property need improvement.

The city does not maintain records of its capital assets. As a result, assets are more susceptible to theft or misuse. The city's insurance carrier valued the city property, buildings, and contents at approximately $1.7 million at December 31, 2018.

The city has not developed procedures to identify capital asset purchases and dispositions throughout the year. In addition, the city has not tagged or otherwise identified most property items as belonging to the city. Also, although the former City Administrator indicated officials perform an annual inventory each December, city officials could not provide a copy of the December 2017 inventory and no inventory was performed in December 2018.

Adequate capital asset records and procedures, including annual inventories, are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage. Capital asset records should be maintained on a perpetual basis. Records should include a detailed description of the assets such as acquisition cost, descriptions, make and model numbers, and asset identification numbers; the physical location of the assets; and, the date and method of disposition of the assets. In addition, property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the city.

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. The Board should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory.

Auditee's Response

The city accepts and will adopt the SAO's recommendation concerning the city's capital assets.

The previous administration did not maintain records of its capital assets, nor did it inventory them. The prior administration also (1) did not properly document authorizations to acquire many assets, (2) acquired assets without any authorization from the Board, and (3) exceeded prior Board authorizations for purchases. As a result, significant city assets unnecessarily exceed the city's requirements, are missing, or are unaccounted for -- including two police vehicles that the new administration is endeavoring to reclaim. From bitter experience, the new administration recognizes that

adequate capital asset records and procedures, including annual inventories, are needed to provide controls over city property.

All capital assets are in process of being added to the city's financial statements so they can be tracked on a daily, monthly, and annual basis. Due to the lack of records, the city may never have all the information needed to document and account for all assets acquired in the past. But the city will have the information going forward. The city will also maintain a maintenance record on each major asset. The city will also implement an inventory system where all the city's assets will be properly labeled and accounted for.

Auditor's Comment

According to the city attorney, the two missing or unaccounted for police vehicles referenced in the response are involved in a title dispute.

City of Silex
Organization and Statistical Information

The City of Silex is located in Lincoln County. The city was incorporated in 1886 and is currently a fourth-class city. The city employed 5 full-time employees and 4 part-time employees on December 31, 2018.

City operations include utility services (water, sewer, and trash), police, maintenance of streets, and parks and recreation.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the Board, and votes only in the case of a tie. The Mayor and Board, at December 31, 2018, are identified below. The Mayor is paid $63 per month and Board members $40 per month. The compensation of these officials is established by ordinance.

Dorothy Ford, Mayor (1)
Robert Momphard, Alderman
Justin Spanier, Alderman (2)
Steven Gamble, Alderman
Vacant (3)

(1) Chuck Turbyeville was elected in April 2019 replacing Dorothy Ford.
(2) Stuart Gambrill was elected in April 2019 replacing Justin Spanier.
(3) Dorothy Ford was elected in April 2019 filling the vacant position.

Other Principal Officials

The City Administrator and Police Chief are appointed positions. William Barnes was the City Administrator and Police Chief at December 31, 2018. His employment with the city ended in April 2019.

Financing Arrangements

The Board refunded $497,487 in sewer revenue bonds on September 29, 2017, which were originally issued on November 30, 2012, for the purpose of providing funds for extending and improving the city's sewer system. The bonds are scheduled to be paid off on April 1, 2052. The remaining principal outstanding at December 31, 2018, was $497,487. Interest remaining to be paid over the life of the bond totals $470,449.

The Board issued $277,000 in sewerage system revenue bonds on February 9, 2018, for the purpose of providing funds for extending and improving the city's sewerage system. The bonds are scheduled to be paid off on January 1, 2038, The remaining principal outstanding at December 31, 2018, was $277,000. Interest remaining to be paid over the life of the bond totals $37,143.

The Board refunded $253,597 in general obligation revenue bonds on September 29, 2017, which were originally issued on November 30, 2012, for the purpose of providing funds for extending and improving the city's sewer system. The bonds are scheduled to be paid off on April 1, 2037. The

remaining principal outstanding at December 31, 2018, was $253,597. Interest remaining to be paid over the life of the bond totals $93,038.

The Board entered into a loan agreement with the Missouri Development Finance Board for $150,000 in 2018, for the purpose of providing funds for improving the city's sewer system. The loan agreement is scheduled to be paid off on June, 15, 2038. The remaining principal outstanding at December 31, 2018, was $150,000. Interest and administration fees remaining to be paid over the life of the loan totals $51,647.

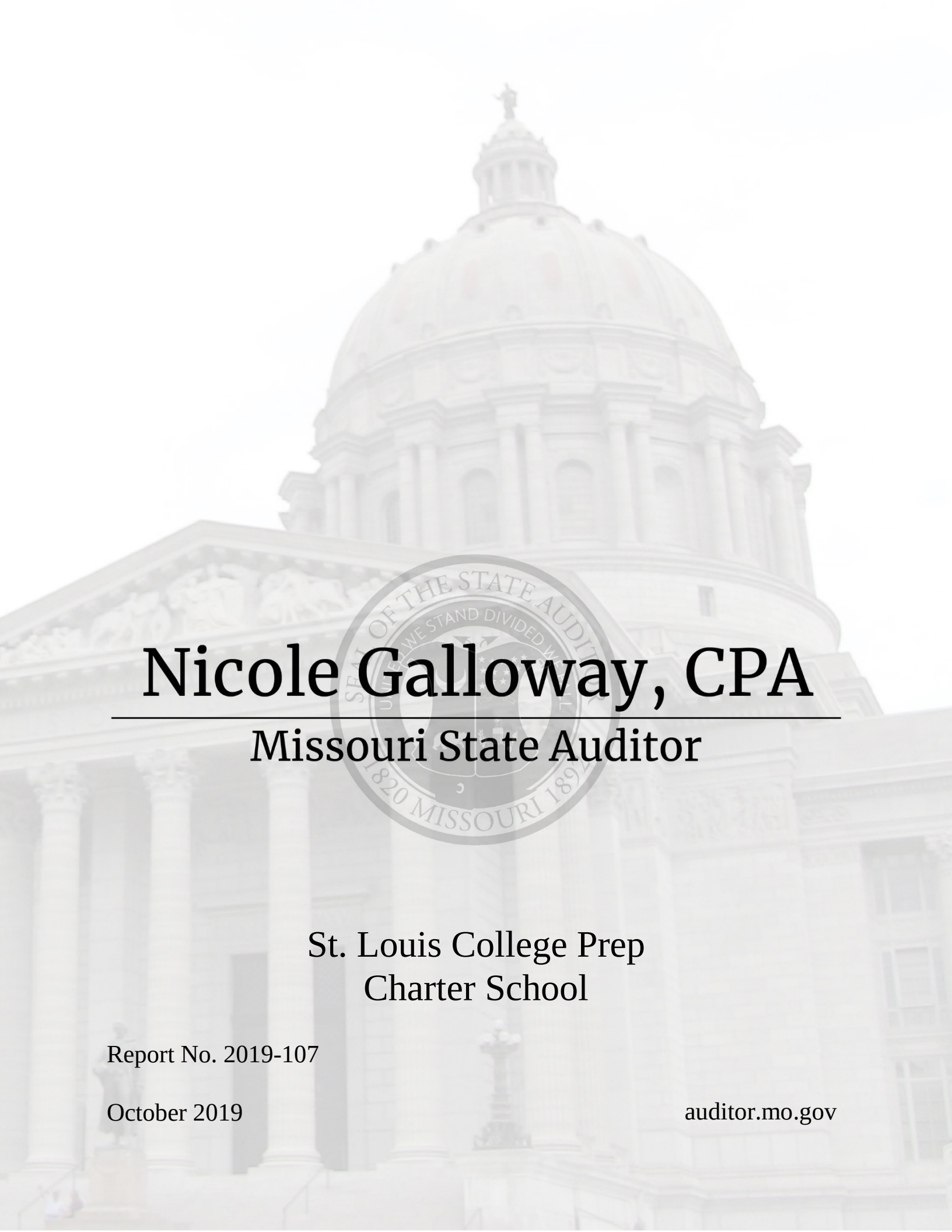
Financial Activity

A summary of the city's financial activity for the year ended December 31, 2018, follows:

City of Silex
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended December 31, 2018

	General Account	Police Account	Sewer Account	Water Account	Renovation Account	Other Accounts (1)	Total
RECEIPTS	$ 145,294	44,801	102,110	87,153	27,322	807,105	1,213,785
DISBURSEMENTS	364,723	32,821	45,799	363	12,796	510,715	967,217
RECEIPTS OVER (UNDER) DISBURSEMENTS	(219,429)	11,980	56,311	86,790	14,526	296,390	246,568
OTHER FINANCING SOURCES (USES)							
Transfer in	218,583	5,178	7,473	0	490	310,399	542,123
Transfer out	(820)	(17,191)	(63,481)	(85,193)	(14,941)	(357,756)	(539,382)
Total Other Financing Sources (Uses)	217,763	(12,013)	(56,008)	(85,193)	(14,451)	(47,357)	2,741
CASH, JANUARY 1, 2018	6,114	32	1	1	20	182	6,350
CASH, DECEMBER 31, 2018	$ 4,448	(1)	304	1,598	95	249,215	255,659

(1) Includes activity of 5 other checking accounts intended for a specific use (restricted monies).



Nicole Galloway, CPA

Missouri State Auditor

St. Louis College Prep Charter School

Report No. 2019-107

October 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the St. Louis College Prep Charter School

Attendance Data and Procedures	The St. Louis College Prep Charter School (SCP) attendance data reported to the Department of Elementary and Secondary Education (DESE) significantly overstated actual attendance resulting in excess state funding totaling at least $1.4 million. The SCP core calendar reported to the DESE did not reflect the actual days and hours students attended class. Summer school instruction hours provided to SCP students did not meet the requirements established by state law and should have been considered as part of the school's core calendar. Remedial instruction hours provided to SCP students did not meet the requirements established by state law. In addition to the concerns with the increased school hours, the SCP improperly reported increased individual student attendance.
Closure and Outstanding Liabilities	The school's sponsor and Board mutually agreed the school could no longer operate past the 2018-2019 school year due to the significance of overpayments of state funding and, as a result, has begun closure procedures, which require the school to resolve financial obligations. The SCP had outstanding liabilities/obligations totaling approximately $3.5 million, including the $1.4 million in excess state funding received.
Student Enrollment and Personnel Files	Student enrollment was not always properly documented and personnel files were not always complete making it more difficult to ensure required closure procedures could be followed. Out of 40 student files reviewed from the 2016-2017, 2017-2018, and 2018-2019 school years, 3 (7.5 percent) of the enrollment packets could not be located and another 26 (65 percent) were incomplete. Personnel records for all 5 employees reviewed were not complete and/or maintained in accordance with school board policy.
Credit Card Procedures	Credit card procedures needed improvement. SCP personnel made unsupported and other questionable credit card purchases.
Sunshine Law	The Board did not always prepare closed session meeting minutes and did not record a roll call vote to enter into closed session. In addition, meeting minutes did not document all Board actions and decisions.

In the areas audited, the overall performance of this entity was **Poor**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

St. Louis College Prep Charter School
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Board of Directors
St. Louis College Prep Charter School

The State Auditor conducted an audit of the St. Louis College Prep Charter School under authority granted in Section 29.205, RSMo. A request for an audit was received from the Department of Elementary and Secondary Education (DESE) after concerns were reported to the DESE regarding attendance reporting. We have audited certain operations of the charter school in fulfillment of our duties. The charter school engaged Daniel Jones and Associates, Certified Public Accountants (CPAs), to audit the charter school's financial statements for the year ended June 30, 2018. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018, and the period of July 1, 2018, to March 29, 2019. The objectives of our audit were to:

1. Evaluate the charter school's internal controls over significant management and financial functions.

2. Evaluate the charter school's compliance with certain legal provisions.

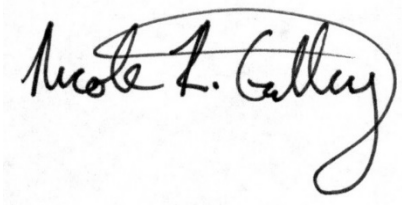
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

4. Evaluate the internal controls and accuracy of the charter school's enrollment and attendance recording and reporting and the impact on state funding.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the charter school, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) inaccurate enrollment and attendance reporting resulting in overpayment of state funding by $1.4 million. The accompanying Management Advisory Report presents our findings arising from our audit of the St. Louis College Prep Charter School.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	Zach Andrews
	Jacob Thompson

St. Louis College Prep Charter School
Introduction

Background

The St. Louis College Prep Charter School (SCP) was a charter school located in St. Louis, Missouri. The SCP was organized and governed under Sections 160.400 through 160.425, RSMo. Charter schools are independent public schools, organized as nonprofit corporations by statute, that are free from rules and regulations that apply to traditional public school districts unless specifically identified in charter school law. In exchange for flexibility, charter school sponsors are to hold the charter schools accountable for results.

In accordance with Section 160.415.4, RSMo, a charter school that has declared itself as a local education authority receives funding from the Department of Elementary and Secondary Education (DESE) based on attendance in the same manner as other school districts. The DESE reduces the local school district's funding allocation based on the charter school attendance and disburses this funding to the charter school. Charter schools also receive federal funding through the DESE.

School

The SCP began operating in the City of St. Louis in August 2011. In accordance with Section 160.400, RSMo, the SCP formed as a nonprofit corporation on March 15, 2010. The school began as a 5th-6th grade school for the 2011-2012 school year, and added an additional grade in subsequent years until the 2016-2017 school year when the SCP removed the 5th grade and added 10th grade. The SCP then added 11th and 12th grades in the 2017-2018 and 2018-2019 school years, respectively. The SCP served students ages 11 to 20 in grades 6 through 12 for the 2018-2019 school year. The SCP adopted a year-long school calendar that consisted of five instructional cycles that were 7 to 8 weeks each, beginning in August and ending in July. The SCP also adopted an extended school day.

The SCP operated at a leased location at 2900 S. Grand Ave from April 2011 to June 2015, when the school moved to a new location at 1224 Grattan Street purchased in June 2015. Total enrollment was 306 for the 2017-2018 charter school year.

The seven member Board of Directors (Board) acts as the policy-making body for the charter school's operations. Board members serve without compensation. Members of the Board at March 29, 2019, were

Steve Singer, President
Patrick Banks, Vice-President
Tricia Gooden, Secretary
Suzanne DeZego, Member
Auriel Kirkland, Member
Justin Moses, Member
Jack Horgan, Member

The charter school's interim Executive Director at March 29, 2019, was Lauren Chaney. Ms. Chaney was hired as interim Executive Director on November 8, 2018, following the resignation of the former Executive Director, Michael Malone. Her annual compensation remained the same as that of her former position as high school principal, $89,922.

Prior to his resignation, the former Executive Director's annual compensation was $100,999. He had been the SCP's Executive Director since the school's inception in 2011.

Sponsor

The University of Missouri-St. Louis (UMSL) is the SCP's sponsor. In order for a charter school to be established, the school must have a sponsor. This sponsor is responsible for accepting and reviewing the application submitted by the proposed school. From this application, a charter can be granted. This charter includes a legally binding performance contract as well as several other areas that are outlined in Sections 160.405 and 167.349, RSMo. The sponsor is also responsible for approving amendments to the charter and overseeing the school to make sure the school is fulfilling the obligations of the charter.

Attendance issues

On December 21, 2018, the State Auditor's Office (SAO) received notice from the DESE of allegations of financial impropriety concerning the SCP. DESE officials informed the SAO that Michael Malone, former Executive Director, admitted to intentionally misreporting the attendance for the 2017-2018 school year and resigned November 1, 2018. On January 7, 2019, the SAO met with the DESE officials to discuss the concerns and on January 11, 2019, agreed to perform an audit of the SCP. On February 19, 2019, the SAO began an audit of the SCP, including conducting interviews of school representatives and gathering and securing school records, including attendance records.

In September 2018, UMSL staff reported concerns about 2017-2018 and the 2018-2019 school years to the DESE. UMSL staff discussed the concerns with the SCP Executive Director. Additionally, on October 19, 2018, a former employee of the SCP met with UMSL staff and made several allegations regarding the Executive Director's actions when reporting attendance. On October 23, 2018, UMSL personnel contacted the Board President to discuss concerns related to the Executive Director's attendance reporting. After this conversation, the SCP's independent auditor found discrepancies in the 2017-2018 school year attendance data and communicated these findings to the Executive Director. On November 1, 2018, the Executive Director notified the Board President of these discrepancies. During this conversation the Board President informed the Executive Director of the October conversation that took place with UMSL personnel, and that the Board was going to conduct an independent investigation of attendance reporting. The Executive

Director subsequently admitted to intentionally misreporting the SCP attendance for the 2017-2018 school year and resigned.

Attendance reported to the DESE

Information about the enrollment[1] of a school, the courses the school will offer, and the hours in a regular school day is reported to the DESE through the Missouri Student Information System several times a year. The school's attendance information is submitted in June of every year. The former Executive Director was responsible for completing and certifying the final submissions of the SCP's attendance information to the DESE.

Attendance audit

In November 2018, the Board engaged LDR AdmServices, LLC for an independent audit of attendance. Findings from this report, completed on December 16, 2018, included:

- The SCP claimed remedial hours for state funding, even though the school does not have any programs that qualify as remedial. See MAR finding number 1.
- The SCP understated its regular school year hours to increase its total Average Daily Attendance (ADA), which includes regular full-time attendance, remedial, and summer school hours. See MAR finding number 1.
- An estimate of the SCP's overpayment of state financial aid by the DESE. The firm compared the attendance data reported in the application used by the SCP to record attendance, TeacherEase, to attendance data submitted to the DESE. That estimate is included in the following table:

School Year	Potential Overpayment
2011-2012	$ 28,517.06
2012-2013	170,064.52
2013-2014	408,215.72
2014-2015	142,976.81
2015-2016	293,889.50
2016-2017	672,774.88
2017-2018	646,322.83
Total	$ 2,362,761.33

Source: LDR AdmServices, LLC, Review of Attendance Reporting submitted December 16, 2018

[1] Head count taken the last Wednesday in September of all resident and non-resident students in the attendance center and reported to the DESE for the October reporting cycle.

Financial audit

The Board also engaged Daniel Jones and Associates, Certified Public Accountants, to audit the charter school's financial statements for the year ended June 30, 2018. The audit report, issued March 7, 2019, included several findings related to the operations of the charter school. In addition, the auditors also disclaimed their opinion as to the accuracy of the SCP's reported attendance and propriety of credit card purchases and emphasized the SCP's inability to continue to operate as a going concern.

Closure and Dissolution

On March 20, 2019, the UMSL notified the Board that by mutual agreement, and in the best interest of the students of SCP, UMSL would terminate its sponsorship of the SCP and the SCP would surrender its charter and close at the end of the 2018-2019 school year.

Before the SCP officially closes, according to Section 160.405, RSMo, the SCP is required to complete the following procedures:

- An orderly transition of student records to new schools and of archival student records.
- The archival of business operation and transfer or repository of personnel records.
- The submission of final financial reports.
- The resolution of any remaining financial obligations.
- The disposition of the charter school's assets upon closure.
- A notification plan to inform parents or guardians of students, the local school district, the employees' retirement systems, and the state board of education within 30 days of the decision to close.

Final dissolution of the nonprofit corporation is pending the completion of final closure activities including final storage of school records and student record requests.

Because MAR finding numbers 4 and 5 relate to the operations of the school prior to closure, and the Board is in the process of dissolution, no recommendations are provided. Also, because the Board is in the process of dissolution, other recommendations focus on the continuing issues resulting from attendance inaccuracies and school closure.

St. Louis College Prep Charter School
Management Advisory Report
State Auditor's Findings

1. Attendance Data and Procedures

The St. Louis College Prep Charter School (SCP) attendance data reported to the DESE significantly overstated actual attendance resulting in excess state funding totaling at least $1.4 million ($508,000 for the 2016-2017 school year, $621,000 for the 2017-2018 school year, and $261,000 for the 2018-2019 school year). The SCP inflated attendance amounts reported by improperly reporting its core calendar and claiming remedial and summer school instruction hours that did not meet DESE and statutory requirements. Analysis of historical attendance data reported since the inception of the school in the 2011-2012 school year shows similar concerns. In addition, individual student attendance hours were inflated and the amounts reported to the DESE were overstated. A lack of proper attendance procedures allowed the inflated attendance reporting.

The DESE requires all schools, including charter schools, to track attendance accurately by attendance hour. The DESE uses attendance data reported by schools in the Missouri Student Information System (MOSIS) to determine average daily attendance (ADA) and the appropriate amount of state funds to give each school through the state funding formula. The ADA is calculated by dividing the actual attendance hours by the potential attendance hours to determine the attendance percentage. The attendance percentage is multiplied by the enrollment amount to determine the ADA. In addition, a fraction of the number of students eligible for (1) free and reduced lunches, (2) special education, and (3) limited English proficiency are added to the school's ADA to determine its weighted average daily attendance (WADA). The higher a school's WADA, the more funding it receives. Absences reduce the amount of funding a school receives.

Every morning, SCP students began the day in advisory class at which time teachers were required to input an official count of the student attendance into the school's attendance system, TeacherEase. Any student that arrived after that time or left early had to go through the front office and the School Secretary was responsible for adjusting the attendance in TeacherEase. Also, the School Secretary was responsible for investigating and correcting any discrepancies between class attendance taken and what had been entered into TeacherEase.

The following table shows a comparison of the SCP's enrollment and ADA for the 2011-2012 through 2017-2018 school years. For 4 of 7 years, the SCP reported an ADA exceeding the school's enrollment.

School Year	Enrollment	Average Daily Attendance
2011-2012	81	79.0738
2012-2013	132	137.6849
2013-2014	191	220.3694
2014-2015	188	177.0769
2015-2016	268	265.2216
2016-2017	290	326.3794
2017-2018	306	328.5034

Source: dese.mo.gov

To evaluate the accuracy of the SCP's attendance data, we compared various attendance records from the SCP's TeacherEase system to the information reported in the MOSIS to determine if attendance and absences recorded on the SCP records were accurately recorded in the MOSIS.

Core calendar

The SCP core calendar reported to the DESE did not reflect the actual days and hours students attended class. As previously noted, the SCP operated with a year-long schedule and an extended school day. However, the SCP reported a core calendar of approximately the minimum school year days and hours required by statute and the DESE. This reporting method allowed the school to inflate attendance by claiming the additional days and hours as summer school or remedial hours, increasing the funding received.

The DESE annually requires each school to declare its core school calendar in August. Prior to August 2019, for schools with a 5 day week, the core school calendar was required to be a minimum 174 days and 1,044 pupil attendance hours (an average of 6 hours per day).[2] Also, for schools with a 5 day week, the maximum hours per day for which a school could receive state funding was 7 hours.[3]

For the 2016-2017 school year, the SCP declared the minimum core calendar of 174 days and 6 hours per day (totaling 1,044 hours). For the 2017-2018 school year the SCP declared a similar calendar of 176 days and 5.9319 hours per day (totaling 1,044 hours). The actual school calendar was 182 days and 8.75 hours per day (totaling 1,592 hours) for the 2016-2017 school year and 179 days and 8 hours per day (totaling 1,432 hours) for the 2017-2018 school year. Additional days and hours were reported as summer school and remedial hours.

[2] Section 171.031.1, RSMo (2018). Effective August 2019, a minimum of 174 days is no longer required.
[3] Section 171.031.7, RSMo (2018). This requirement was eliminated effective for the 2019-2020 school year.

Summer school hours

Summer school instruction hours provided to SCP students did not meet the requirements established by state law and should have been considered as part of the school's core calendar. For all grade levels, the SCP reported summer school hours to DESE totaling approximately 12,000 hours for the 2016-2017 school year and 13,000 hours for the 2017-2018 school year.

During the 2016 summer school period (July 1, 2016, through July 15, 2016), there was no distinctive end to the regular school year (June 30, 2016) and distinctive start to the summer school period as required by DESE. In addition, because of the school's year-round calendar, all students were expected to attend during the summer school period.[4] During the 2017 summer school period (July 5, 2017, through July 14, 2017), all students were also expected to attend. The SCP's Interim Executive Director indicated the SCP did not have a summer school and explained those days were simply included as part of the extended school year.

Reporting these hours to DESE as summer school hours allowed the school to increase its ADA.[5] Had the SCP properly reported July attendance days as part of its core calendar, no additional funding would have been provided for summer school. Also, the attendance percentage for the core calendar year would have been lower because the total potential attendance hours would have increased. This computation would have resulted in a lower ADA and decreased state funding. See the table on page 12.

Remedial hours

Remedial instruction hours provided to SCP students did not meet the requirements established by state law. Instead the hours were part of the core school day and should not have been considered for additional attendance. The DESE allows remedial instruction hours meeting state requirements to be added to regular day attendance, increasing ADA. For all grade levels, the SCP reported remedial hours to the DESE totaling approximately 26,000 hours for the 2016-2017 school year and 47,000 hours for the 2017-2018 school year.

Remedial classes provided to SCP students and identified by the SCP's Interim Executive Director were provided to all students and/or were part of the core school day. These classes were not required by a school policy as a condition of promotion to the next grade level and were not provided outside the core school day, as required by Section 167.640.3, RSMo. We confirmed this information by reviewing 40 student class schedules from the 2016-2017

[4] DESE's Summer School Handbook indicates, 1) "Summer school programs are not mandatory and student attendance cannot be required . . . " and 2) "In order to distinguish between the regular school year and the summer school session, there must be a break of at least one school day between the close of one program and the start of the other."

[5] Summer school ADA is separately calculated by dividing total summer school hours by 1,044 and adding the calculated summer school ADA to the core ADA.

and 2017-2018 school years, noting almost all of these students were offered similar classes during the core school day.

Reporting these hours to DESE as outside the core school day allowed the school to claim the difference between the 6 hour core day declared and the actual extended school day (8.75 hours in 2016-2017 and 8 hours in 2017-2018) as remedial instruction hours, increasing the school's ADA and state funding. Had the SCP correctly reported the core day as the 7 hours maximum allowed, including what the school classified as "remedial" instruction hours, the ADA would have been less, decreasing state funding.

ADA and WADA

We recalculated the SCP's ADA and WADA for the 2016-2017 and 2017-2018 school years and the 2018-2019 school year through March 29, 2019, based on the extended school calendar and the maximum allowed 7 hour school day using TeacherEase data to determine the total number of days each student was marked present. To be conservative, we considered a student present for a full 7 hour day if he/she was recorded in attendance in the TeacherEase system at any point during the day. Some students may not have earned credit for a full day and the calculated attendance percentage could be less (discussed further on the next page). The following table shows our recalculations and the estimated state funding overpayment[6] for each of the last 3 school years:

[6] Our recalculations differ from that reported in the LDR AdmServices, LLC, attendance audit noted in the Background section because we allowed for 7 hour school day permitted by law. This resulted in some hours considered by the LDR AdmServices, LLC as overstated to be considered appropriate in our calculation.

		School Year		
		2018-2019	2017-2018	2016-2017
Estimated number of students	(a)	315	319	333
Days in session	(b)	118	179	182
Maximum hours allowed per day	(c)	7	7	7
Possible attendance hours	(a)*(b)*(c) = (d)	260,190	399,707	424,242
Actual hours in attendance	(e)	214,599	320,691	320,243
Estimated attendance percentage	(e)/(d) = (f)	82%	80%	75%
Estimated ADA	(a)*(f) = (g)	259.8051	255.9385	251.3681
Plus FRL weighted calculation	(h)	39.0773	53.8837	50.4590
Plus IEP weighted calculation	(i)	21.5006	26.9084	33.3252
Plus LEP weighted calculation	(j)	0.0000	0.0000	0.0000
Estimated WADA	(g)+(h)+(i)+(j) = (k)	320.3830	336.7306	335.1523
Regular term WADA reported to DESE	(l)	321.9603	400.5260	388.7387
Difference	(k)-(l) = (m)	(1.5773)	(63.7954)	(53.5864)
State funding per WADA per DESE	(n)	$ 9,100	$ 8,349	$ 8,271
Estimated state funding overpayment	(m)*(n) = (o)	$ (14,354)	$ (532,600)	$ (443,231)
Plus 2018-2019 state overpayment thru March 2019 not yet recouped (1)	(p)	$ (246,689)		
Total state funding overpayment	(o)+(p)	$ (261,043)	$ (532,600)	$ (443,231)

(1) The estimated WADA was again incorrectly reported to the DESE, however, this was adjusted by the DESE beginning January 2019, causing the state funding per WADA to fluctuate throughout the year. Through March 2019, the DESE had paid the SCP $2,314,110 for the 2018-2019 school year, but should have only paid $2,053,067, an overpayment of state funding by $261,043.

Actual hours recorded less than hours reported

In addition to the concerns with the increased school hours, the SCP improperly reported increased individual student attendance. We compared actual student attendance hours recorded in TeacherEase to hours the SCP reported to DESE for each individual student for the 2016-2017 and 2017-2018 school years. For the 2016-2017 school year, we determined 81 out of 333 students (24 percent) had more hours reported to DESE than the student was recorded in attendance. For the 2017-2018 school year, we determined 188 out of 319 students (59 percent) had more hours reported to DESE than the student was recorded in attendance. Overstated hours totaled approximately 10,044 hours for the 2016-2017 school year and approximately 13,255 for the 2017-2018 school year. This comparison indicates attendance was intentionally inflated and DESE overpayments are likely greater than estimated above by at least an additional $153,000 ($88,000 for the 2017-2018 school year and $65,000 for the 2016-2017 school year).

Other school years

The SCP had reported summer school hours to the DESE since the 2012-2013 school years. The SCP reported remedial hours to the DESE since the school's inception in the 2011-2012 school year. As previously noted, SCP staff indicated they do not believe the school ever had a remedial program as defined by state law. We did not attempt to estimate an overpayment for prior

years. However, as noted in the Background section, LDR AdmServices, LLC, estimated the potential overpayment by DESE to the SCP for these prior years at an additional $1 million.

Conclusion

The SCP's remedial instruction and summer school programs and student attendance data do not support the ADA and WADA reported to the DESE and certified by the former SCP Executive Director. These discrepancies indicate the reported information was falsified. The falsification of SCP ADA and WADA resulted in the SCP receiving more funding than the school was entitled. In addition, the SCP may have been falsifying, and at a minimum was inaccurately reporting, attendance data as early as the 2011-2012 school year when it first reported remedial instruction hours. The SCP also began reporting ADA greater than enrollment beginning in the 2012-2013 school year. The Board did not examine these issues until they were brought to their attention in the fall of 2018.

The SAO issued a subpoena to Michael Malone, former SCP Executive Director, and accepted by his attorney on July 22, 2019, to compel Mr. Malone's testimony and require him to produce records and documents (see Appendix A). On August 20, 2019, audit staff and an attorney of the SAO took the testimony[7] of the former SCP Executive Director. Mr. Malone, on the advice of his attorney, pleaded the 5th amendment[8] regarding questioning related to attendance data and procedures.

As further discussed in MAR finding number 2, the overpayments that resulted from inflated ADA and WADA for the 2016-2017, 2017-2018, and 2018-2019 school years represent a liability/obligation of the charter school and should be repaid as part of the dissolution process.

Recommendation

The Board of Directors work with the DESE to determine the proper resolution for the overpayment of the 2016-2017, 2017-2018, and 2018-2019 school years, and the potential overpayments from past school years as deemed necessary.

Auditee's Response

Funds are not available to pay all the school's liabilities. The Board prioritized payment for teacher salaries and benefits. Once a final audit of the school has been performed, the Board will disburse any remaining funds to vendors, prorating payments based on amounts payable, and then will close. There will not be any funds remaining to return to the DESE. We have been in contact with the DESE and they are aware of the situation.

[7] This testimony was given under oath and was recorded by a court reporter.

[8] Pleading the 5th amendment means that the person chooses not to answer a question(s) during testimony on the basis that he might incriminate himself.

2. Closure and Outstanding Liabilities

The UMSL and Board mutually agreed the school could no longer operate past the 2018-2019 school year due to the significance of overpayments of state funding and, as a result, has begun closure procedures.

As discussed in MAR finding number 1, the SCP received at least $1.4 million over the last 3 school years based on inflated WADA. The additional funding represents approximately 15 percent of the school's state funding for the period. The SCP also had unpaid bills over 30 days past due to various vendors totaling over $336,000 as of April 10, 2019, and has outstanding debt on school facilities totaling approximately $1.8 million. As of March 29, 2019, the SCP reported a cash balance of $166,808; however, additional state and federal revenues were expected from the DESE.

The following table reflects the SCP's revenues and expenditures for the year ended June 30, 2018, and the period of July 1, 2018, through March 29, 2019.

	Year Ended June 30, 2018	July 1, 2019, through March 29, 2019
Beginning cash balance	$ 268,462	225,046
Revenues	4,677,481	3,193,230
Disbursements	4,720,897	3,251,468
Ending cash balance	$ 225,046	166,808

Sections 160.400 through 160.425, RSMo, provide requirements for the organization and administration of charter schools. Statutory provisions require sponsors to develop procedures to be implemented if a charter school should close. These procedures include, but are not limited to, resolution of financial obligations and disposition of school assets.

School assets include the SCP's cash on hand and the facilities occupied by the SCP, which the Board plans to sell. Any funds remaining after repayment of liabilities for overpayment of attendance, outstanding building debt, and unpaid bills, if any, should be returned to the state in accordance with Section 160.405.1(17), RSMo.

Recommendation

The Board of Directors return any remaining funds to the DESE.

Auditee's Response

Funds are not available to pay all the school's liabilities. The Board prioritized payment for teacher salaries and benefits. Once a final audit of the school has been performed, the Board will disburse any remaining funds to vendors, prorating payments based on amounts payable, and then will close. There will not be any funds remaining to return to the DESE. We have been in contact with the DESE and they are aware of the situation.

3. Student Enrollment and Personnel Files

Student enrollment was not always properly documented and personnel files were not always complete making it more difficult to ensure required closure procedures could be followed.

Student enrollment

Out of 40 student files reviewed from the 2016-2017, 2017-2018, and 2018-2019 school years, 3 (7.5 percent) of the enrollment packets could not be located and another 26 (65 percent) were incomplete. Eight of these 26 enrollment packets lacked proof of residency. All new or re-enrolling students were required to complete an enrollment packet including proof of residency, transportation information, home language survey, medical information, etc. During the 2018-2019 school year, SCP staff began reviewing all enrollment files for completeness.

Personnel files

Personnel records for all 5 employees reviewed were not complete and/or maintained in accordance with School Board Policy 4860. During our review of the personnel files, we noted required documentation was missing from each of the 5 files including employment applications, educational transcripts, employment contracts, and performance evaluations. In addition, health insurance and immigration records were not maintained separately from the personnel files as required by School Board Policy 4860.

Conclusion

Complete and accurate enrollment information was needed while the school was operating to ensure students were eligible to attend the SCP and is needed post-closure to ensure complete information is provided to the students' new schools. Complete personnel records should be maintained for all employees to provide documentation of personnel actions and ensure accurate records are transferred after closure. School staff indicated that the SCP experienced significant staff turnover, which may have contributed to the incomplete enrollment and personnel files. Section 160.405, RSMo, requires the orderly transition of student records to new schools, archival of student records, and transfer or repository of personnel records.

Recommendation

The Board of Directors ensure procedures are established and followed to ensure the appropriate transfer of complete and accurate student and personnel records.

Auditee's Response

We assembled and have transferred all records as required. Student records were transferred to the St. Louis Public School District and personnel records have been transferred to the charter sponsor UMSL.

4. Credit Card Procedures

Credit card procedures needed improvement. SCP personnel made unsupported and other questionable credit card purchases. Credit card purchases totaled approximately $175,000 during the 2017-2018 school year and $106,000 during the 2018-2019 school year through February 22, 2019.

SCP policy required preapproval for credit card purchases, completion of a credit card sign out sheet, and receipts supporting purchases be turned in with the credit card after use and examined for compliance with policies. These policies included, but were not limited to, ensuring purchases were "for the school or to pay for reasonable travel expenses incurred when performing job duties" and ". . . under no circumstances may employees use school funds to make unauthorized or personal purchases." However, these policies were not consistently followed prior to the resignation of the former Executive Director in the fall of 2018.

SCP personnel could not provide supporting documentation for 28 of 50 credit card purchases (56 percent) reviewed, totaling $13,916, from the 2017-2018 and 2018-2019 school years. In most cases, no documentation beyond the credit card statement was available. In addition, in many other instances, only a credit card charge slip was submitted rather than a detailed invoice. Unsupported transactions included purchases of food, hotel stays, a vacation package, and several purchases from Amazon. Without actual invoices, the SCP cannot determine if the purchases were for legitimate school-related items or were personal items purchased by employees.

After our initial test work identified concerns with credit card purchases, we requested and reviewed all credit card purchases for which the Interim Executive Director could locate supporting documentation. During this review we identified numerous questionable purchases. These transactions were supported by a receipt or invoice that agreed to the amount charged, but there was no additional information to indicate the purpose of the purchase and how it related to school business or complied with school policy. We identified 37 such purchases totaling $3,178. These transactions included purchases of food, drinks, etc. ($538), gift cards and fees ($1,210), alcohol ($683),[9] and other miscellaneous items ($752). In addition, the Interim Executive Director indicated that she believed at least $85 of other credit card purchases were likely for personal use and improper. See Appendix B for detailed information about the unsupported, questionable, and improper purchases. These transactions include purchases of approximately $200 from Amazon shipped directly to the former Executive Director's personal residence. We could not determine what items were purchased or if the school received them.

As discussed in MAR finding number 1, we issued a subpoena to the former SCP Executive Director. When questioned under oath regarding credit card

[9] The SCP Policy for Reimbursement of Meals and Entertainment indicates "expenses are limited to student recruitment, board meetings, and staff meetings. Alcoholic beverages are not reimbursed unless approved by the Executive Director." While the purchase of alcohol for the staff Christmas party was approved by the Interim Executive Director, the amount of alcohol purchased is questionable.

procedures and records, Mr. Malone pleaded the 5th amendment and did not answer the questions.

Credit card purchases are inherently more risky than other purchases because credit card purchases are or can be made prior to proper approval. That risk and the potential for fraud and misuse increases even more when internal controls and proper procedures are lacking. Credit cards provide a good alternative purchase method, but there should be a strong, clear policy that is enforced and prohibits use for inappropriate or non-school purchases. Detailed supporting documentation improves the charter school's ability to review charges and provides better documentation of the items purchased to ensure charges are reasonable and in accordance with established policies. In addition, public funds should be spent in a prudent manner only on items necessary and beneficial to the charter school and enhance the educational process.

5. Sunshine Law

The Board did not always prepare closed session meeting minutes and did not record a roll call vote to enter into closed session. In addition, meeting minutes did not document all Board actions and decisions.

The Board held 4 closed session meetings between January 19, 2019, and March 20, 2019, but minutes were not prepared and subsequently approved by the Board. In addition, roll call votes to enter into closed session were not recorded in the open session minutes for closed sessions held between November 7, 2018, and March 20, 2019. Also, the November 7, 2018, meeting minutes did not document the acceptance of the resignation of the former Executive Director and the appointment of the new Interim Director.

Without minutes of closed sessions, there is no record of the discussions held or support for the decisions made, and less assurance to the public that various statutory provisions are followed. Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions made. In addition, under Section 610.022.1, RSMo, before going into a closed meeting a public governmental body must vote to close the meeting, including a specific reference to the section permitting the disclosure.

NICOLE GALLOWAY, CPA
Missouri State Auditor

July 29, 2019

Mr. Matt Hearne
230 S. Bemiston Avenue, #770
Clayton, MO 63105

RE: Subpoena for Michael Malone

Dear Mr. Hearne:

Thank you for accepting service of the attached subpoena as counsel for Mr. Malone. This is to confirm that this subpoena remains in effect, but that we have agreed to change the date for performance under the subpoena from August 7, 2019 at 10:00 a.m. to August 20, 2019 at 10:00 a.m. The location will remain the same, at the Wainwright State Office Building, 111 N. 7th Street, St. Louis, MO 63101.

Please let me know if you have any questions.

Sincerely,

Joel E. Anderson

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: Michael Malone
5951 Marwinette Ave.
St. Louis, MO 63116

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representatives, Joel Anderson, Chief Litigation Counsel, in Room 116 of The Wainwright State Office Building, 111 N. 7th St., St. Louis, MO 63101, at **10:00 a.m. on August 7, 2019**, for purposes of providing testimony, and for producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 15th day of July, 2019, pursuant to Section 29.235.4(1), RSMo.

Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by _____on this _____ day of _____, 2019.

_____

OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

1. All records related to the St. Louis College Prep Charter School credit cards (including, but not limited to, invoices or receipts to support credit card transactions from June 2017 through November 2018);
2. Any and all St. Louis College Prep Charter School attendance records for the time period between July 2016 through November 2018.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

Appendix B

St. Louis College Prep Charter School
Supporting Documentation - Unsupported, Questionable, and Improper Credit Card Purchases
For the Period June 23, 2017, through January 20, 2019

Transaction Date (1)	Employee Title	Vendor	Purpose (2)	Type (3)	Amount Unsupported (4)	Amount Questionable (5)	Amount Improper (6)
6/23/2017	Registrar/Tech Coordinator	Imo's Pizza, St. Louis, MO		Travel	$	15	
6/29/2017	Registrar/Tech Coordinator	Sam's Club, Maplewood, MO	Snacks	Supplies		42	
7/1/2017	Registrar/Tech Coordinator	Papa John's		Professional Development		105	
7/8/2017	Registrar/Tech Coordinator	Papa John's, St. Louis, MO		Travel		116	
7/10/2017	Registrar/Tech Coordinator	Lowe's, Kirkwood, MO	Moving boxes	Supplies		10	
7/11/2017	Registrar/Tech Coordinator	Fields Foods, St. Louis, MO	Groceries	Supplies		34	
8/13/2017	Registrar/Tech Coordinator	Amazon Marketplace		Supplies	450		
8/14/2017	Registrar/Tech Coordinator	Fields Foods, St. Louis, MO	Floral	Supplies		23	
8/15/2017	Registrar/Tech Coordinator	Walmart Supercenter, Kirkwood, MO	Groceries	Supplies		39	
8/24/2017	Director of Development	American Carnival Mart, St. Louis, MO	Party Supplies	Supplies		19	
9/8/2017	Former Executive Director	Costco Wholesale, St. Louis, MO		Supplies		312	
9/13/2017	Former Executive Director	Hotwire		Travel	133		
9/13/2017	Former Executive Director	Panera Bread, Festus, MO	3 sandwiches	Travel		33	
9/15/2017	Former Executive Director	Subway, Sikeston, MO	3 sandwiches	Travel		24	
9/18/2017	Business Operations Manager	Country Corner, Tan-Tar-A Resort	Snacks	Travel			5
9/18/2017	Business Operations Manager	Dierbergs Lakeview, Osage Beach, MO	Groceries	Supplies		11	
9/19/2017	Business Operations Manager	Casey's General Store, Cuba, MO	Snacks and drink	Travel		6	
9/20/2017	Business Operations Manager	QuikTrip #649, Green Park, MO	Fuel	Professional Development		28	
9/28/2017	Business Operations Manager	ExxonMobil, Kingdom City, MO	Snacks and drink	Travel		6	
9/28/2017	Business Operations Manager	Rick's Café, Jefferson City, MO		Travel		3	
10/3/2017	Former Executive Director	Walgreens, St. Louis, MO	Groceries and drink	Supplies		11	
10/4/2017	Business Operations Manager	Priceline Vacation Package		Travel	885		
10/4/2017	Business Operations Manager	Independent Youth Inc.		Other Professional/ Technical Services	528		
10/4/2017	Business Operations Manager	Walgreens, St. Louis, MO	Gift cards, fees & snacks	Instructional services		473	
10/5/2017	Former Executive Director	Reserve Restaurant & Lounge, Kansas City, MO		Travel	56		
10/7/2017	Former Executive Director	Marriott Hotel, Kansas City, MO		Travel	460		
10/9/2017	Business Operations Manager	Therapy Shoppe		Supplies	792		
10/9/2017	Business Operations Manager	Schnucks Loughborough, St. Louis, MO	Innovation mix	Supplies		14	
10/12/2017	Business Operations Manager	Boxwood Technology		Other Professional/ Technical Services	345		
10/19/2017	Business Operations Manager	Johnny Mac's Store		Supplies - Uniforms	3,000		
10/20/2017	Former Executive Director	The Wood Shack, St. Louis, MO	Sandwich	Travel			17
10/23/2017	Business Operations Manager	Amazon Marketplace		Supplies - PE	576		
10/24/2017	Former Executive Director	Hotels.com		Travel	678		
11/1/2017	Business Operations Manager	Shop'n Save, Ellisville, MO	Cupcakes	Supplies		23	
11/3/2017	Business Operations Manager	Quik Trip #621, Ballwin, MO	Snacks	Travel		4	
11/3/2017	Former Executive Director	Walgreens, St. Louis, MO	Light sets and napkins	Supplies		53	
11/7/2017	Former Executive Director	Tim Horton's	Sandwich and donuts	Travel		25	
11/9/2017	Former Executive Director	Living Room Art House Coffee, Maplewood, MO	Food	Travel			12
11/14/2017	Former Executive Director	Bogart's Smokehouse, St. Louis, MO		Travel	30		

Appendix B

St. Louis College Prep Charter School
Supporting Documentation - Unsupported, Questionable, and Improper Credit Card Purchases
For the Period June 23, 2017, through January 20, 2019

Transaction Date (1)	Employee Title	Vendor	Purpose (2)	Type (3)	Amount Unsupported (4)	Amount Questionable (5)	Amount Improper (6)
11/15/2017	Former Executive Director	Walgreens, St. Louis, MO	Snacks	Supplies		14	
11/15/2017	Former Executive Director	Park Avenue Coffee, St. Louis, MO	Coffee	Travel			6
11/20/2017	Former Executive Director	Mike Duffy's Pub & Grill, Richmond Heights, MO	Food	Travel			18
11/20/2017	Former Executive Director	Panera Bread, Richmond Heights, MO	Coffee	Travel			2
11/21/2017	Business Operations Manager	Walgreens, St. Louis, MO	Gift cards	Supplies		453	
12/1/2017	Business Operations Manager	Amazon Marketplace		Supplies	886		
12/19/2017	Former Executive Director	Fields Foods, St. Louis, MO	Gift cards	Supplies		200	
12/19/2017	Former Executive Director	Walgreens, St. Louis, MO	Gift & Christmas cards	Supplies		69	
12/20/2017	Former Executive Director	Flying Spider, Ballwin, MO		Student Activities	1,268		
1/17/2018	Former Executive Director	Park Avenue Coffee, St. Louis, MO		Travel	15		
1/23/2018	Former Executive Director	Schnucks Loughborough, St. Louis, MO		Travel	28		
1/25/2018	Former Executive Director	Target, St. Louis, MO		Supplies	26		
1/30/2018	Former Executive Director	Bogart's Smokehouse, St. Louis, MO		Travel	30		
2/6/2018	Former Executive Director	Amazon.com		Supplies	500		
3/18/2018	Former Executive Director	Amazon.com		Supplies	279		
4/27/2018	Former Executive Director	The Sweet Divine, St. Louis, MO		Supplies	239		
6/8/2018	Former Executive Director	QuikTrip #658, St. Louis, MO		Unknown	65		
6/11/2018	Former Executive Director	Bogart's Smokehouse, St. Louis, MO		Travel		41	
6/14/2018	Former Executive Director	Metroride Store, St. Louis, MO		Transportation	1,485		
6/20/2018	Former Executive Director	Line Hotel, Austin, TX		Travel	513		
6/20/2018	Former Executive Director	Line Hotel, Austin, TX		Travel	435		
7/2/2018	Former Executive Director	Costco Wholesale, St. Louis, MO	Roses	Supplies		37	
7/12/2018	Former Executive Director	Park Avenue Coffee, St. Louis, MO		Travel			14
8/17/2018	Former Executive Director	Park Avenue Coffee, St. Louis, MO		Travel			11
8/20/2018	Former Executive Director	Whitebox Eatery, Clayton, MO	Sandwich and drink	Travel		19	
8/31/2018	Former Executive Director	Facebook		Other Professional/ Technical Services	167		
9/7/2018	Former Executive Director	St. Louis University Special Events, St. Louis, MO		Unknown		30	
9/12/2018	Former Executive Director	Park Avenue Coffee, St. Louis, MO	3 coffees	Travel		24	
9/21/2018	Former Executive Director	Fields Foods, St. Louis, MO		Supplies	20		
9/26/2018	Former Executive Director	Domino's	Pizza	Supplies		21	
11/6/2018	Interim Executive Director	QuikTrip #658, St. Louis, MO	Gift cards	Travel		125	
11/8/2018	Interim Executive Director	Domino's		Travel	27		
12/20/2018	Interim Executive Director	Moolah Lanes, St. Louis, MO	Holiday party including alcohol	Student Activities		683	
Unknown	Unknown	Dollar Tree, Bridgeton, MO	Storage boxes, dog leash & balloons	Unknown		33	
					$ 13,916	3,178	85

(1) Each row is a separate transaction and only includes the amounts of the transaction classified as unsupported, questionable and improper.

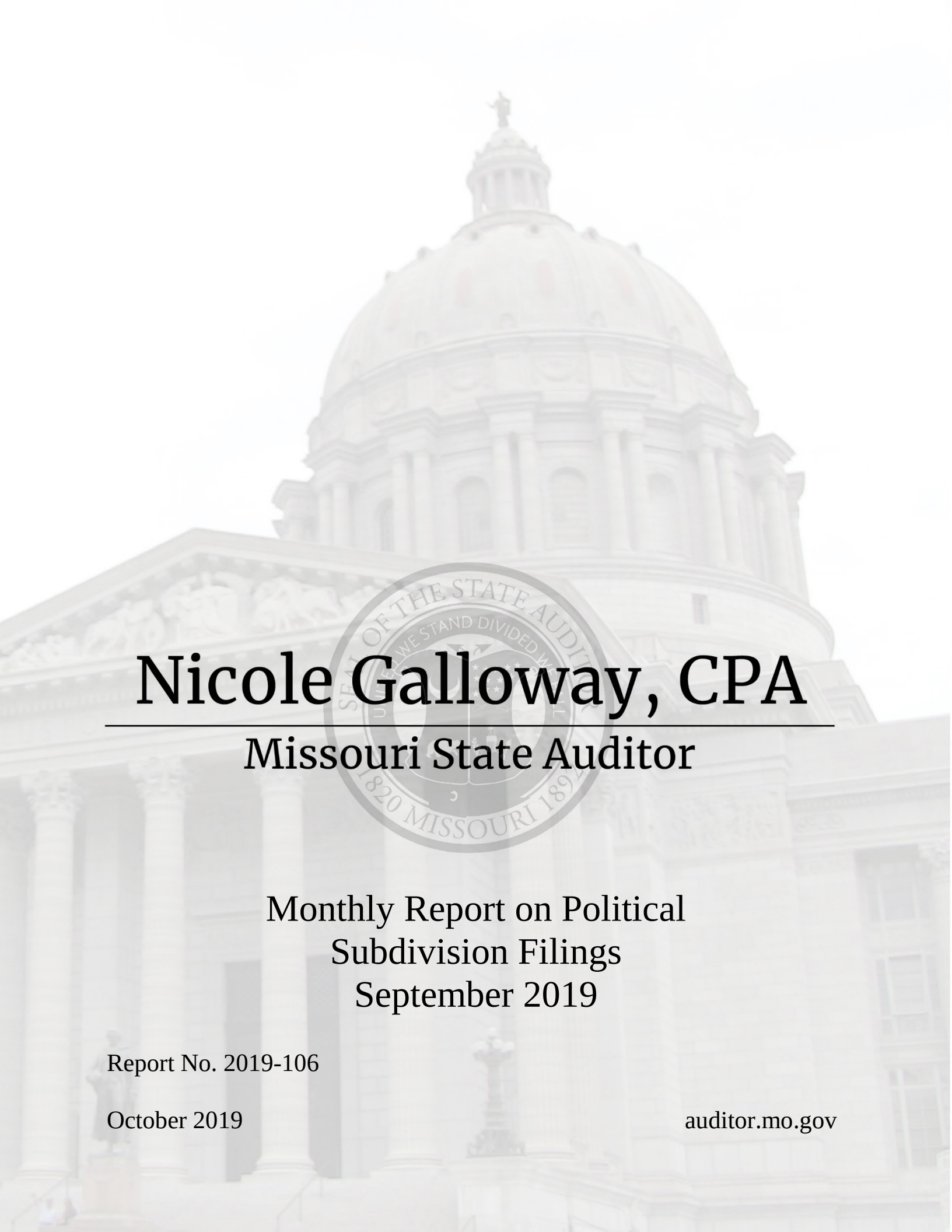
(2) The purpose was left blank if the transaction was not supported by a credit card receipt or invoice, or the credit card receipt or invoice was not detailed enough to determine what was purchased.

(3) Type indicates how the transaction was coded in the charter school's financial system or records. Transactions marked "Unknown" indicate school staff could not determine the type because the transaction was summarized in the financial system.

(4) No supporting documentation (e.g. credit card receipt or invoice) was provided for transactions.

(5) Questionable transactions were supported by a credit card receipt or invoice that agreed to the amount charged, but there was no additional information to indicate the purpose of the purchase and how it related to school business or complied with school policy.

(6) The Interim Executive Director indicated that she believed these credit card purchases were likely for personal use and improper.



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings September 2019

Report No. 2019-106

October 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
September 2019
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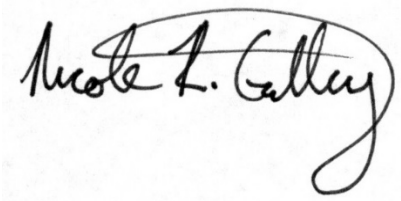
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 51 political subdivisions required to file a financial report by September 30, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in September 2019, after their filing deadline. The filing status for these 17 entities is presented in summary on page 3 and by individual entity in Appendix B-D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings
September 2019
Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 51 political subdivisions, other than cities, towns, and villages, with a fiscal year end of March 31, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 51 political subdivisions, 37 filed an annual financial report timely.

This report also includes the filing status for 17 political subdivisions, other than cities, towns, and villages, that filed their financial report in September 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2019

Fiscal Year Ended March 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	PWSD 3 Andrew County	Yes	July 9, 2019
Barry	Monett Marketplace CID	Yes	April 1, 2019
Boone	Centralia Public Library District	Yes	July 15, 2019
Buchanan	Maxwell Heights FPD	Yes	August 30, 2019
Butler	North Cache River Drainage District	Yes	June 10, 2019
Caldwell	Golden Age NHD	Yes	September 27, 2019
Camden	Sunrise Beach Market Center CID	Yes	September 9, 2019
Carroll	Sambo Slough Levee District	No	
Carter	West Carter Ambulance District	Yes	July 18, 2019
Cass	Cedar Tree CID	No	
	Fairfield Inn CID	Yes	September 25, 2019
	PWSD 6 Cass County	Yes	July 15, 2019
	TXRH CID	Yes	September 24, 2019
	Y Belton CID	Yes	July 26, 2019
	Y Belton Two CID	Yes	July 26, 2019
	Y Highway Marketplace CID	Yes	July 11, 2019
Clay	210 Highway CID	Yes	September 30, 2019
	210 Highway TDD	Yes	September 30, 2019
	Kearney West Side CID	Yes	September 9, 2019
	Shoppes at Kearney CID	Yes	September 9, 2019
Cole	PWSD 2 Cole County	Yes	August 28, 2019
Franklin	St. Clair Sewer District	Yes	July 16, 2019
Harrison	Harrison County Hospital District	Yes	July 30, 2019
Henry	Golden Valley Memorial Hospital	Yes	June 10, 2019
Holt	Union Township Levee District	No	
Howell	63 Bypass CID	No	
	Ozark Hills CID	No	
	Ramseur Farm CID	No	
	South 160 CID	No	
	Southern Hills CID	No	
Jasper	Sarcoxie Rural FPD	Yes	April 26, 2019
Jefferson	Twin City Mall CID	No	
Lewis	Steffenville Drainage District	No	
Livingston	Livingston Ambulance District	Yes	May 9, 2019
	Stoneybrooke CID	Yes	September 26, 2019
Montgomery	Wellsville Public Library District	Yes	April 29, 2019
Perry	Perry County Memorial Hospital	No	
Pettis	Galaxy West CID	Yes	September 19, 2019
	Sedalia Public Library District	Yes	May 15, 2019
Putnam	Putnam County Care Center	Yes	August 28, 2019
Ray	Levee District 2 Ray County	Yes	April 5, 2019
Saline	Van Meter-Teteseau Levee District	No	
Schuyler	Schuyler County Ambulance District	No	
St. Louis	Jennings Station Road CID	Yes	July 12, 2019
	Kirkwood Square CID	Yes	April 4, 2019
	Manchester Lindbergh Southeast CID	Yes	April 11, 2019
	Market at McKnight CID	Yes	June 24, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2019

Fiscal Year Ended March 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Plaza on the Boulevard-Jennings CID	Yes	July 12, 2019
	Rock Hill Public Library District	Yes	September 30, 2019
Stoddard	PWSD 4 Stoddard County	No	
Taney	Southtowne CID	Yes	September 9, 2019
Total Filed		37	
Total Not Filed		14	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in September 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Langdon SRD Atchison County	Yes	September 11, 2019
Barry	South Barry County Memorial Hospital	Yes	September 4, 2019
Carter	Landing River Center CID	Yes	September 12, 2019
Clark	Clark County Ambulance District	Yes	September 26, 2019
Maries	Belle FPD	Yes	September 10, 2019
Newton	Neosho TDD	Yes	September 16, 2019
Pemiscot	Pemiscot County Health Center	Yes	September 12, 2019
Pulaski	Dixon Rural FPD	Yes	September 17, 2019
St. Clair	Collins SRD St. Clair County	Yes	September 3, 2019
St. Louis City	St. Louis Food Hub TDD	Yes	September 30, 2019
Taney	Central Taney County FPD	Yes	September 26, 2019
Total Filed		11	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
SRD	Special Road District
TDD	Transportation Development District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due July 31, 2019
Filed in September 2019

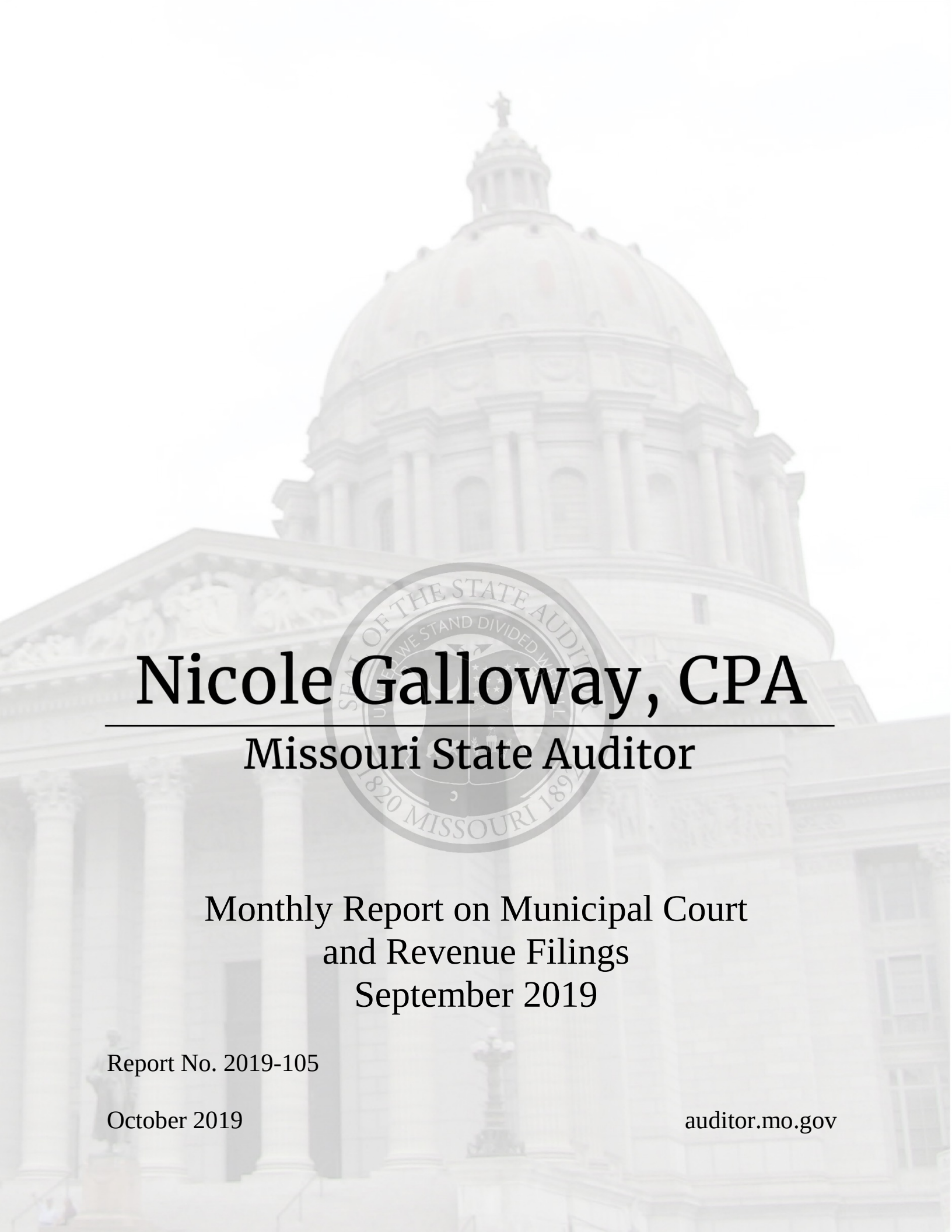
Fiscal Year Ended January 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	South St. Joseph D&LD	Yes	September 5, 2019
Mississippi	Consolidated DD 1 Mississippi County	Yes	September 17, 2019
Total Filed		2	

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due August 31, 2019
Filed in September 2019

Fiscal Year Ended February 28, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Mill Creek Dyke Drainage District	Yes	September 17, 2019
	Nishnabotna Drainage District	Yes	September 17, 2019
Audrain	Van-Far Ambulance District	Yes	September 26, 2019
Marion	Fabius River Drainage District	Yes	September 16, 2019
Total Filed		4	



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings September 2019

Report No. 2019-105

October 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
September 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

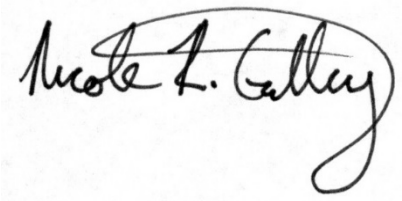
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by September 30, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 51 cities and 25 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in September 2019, after their filing deadline. The filing status for these 21 cities and 5 villages is presented in summary on pages 4 and by individual entity in Appendixes B to D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 51 cities and 25 villages with a fiscal year end of March 31, 2019, whose financial report was due by September 30, 2019. Of the 76 municipalities required to file an annual financial report, 55 filed the report timely. Of the 54 municipalities required to file an addendum, 25 filed an addendum timely. Of the 31 municipalities required to file a certification, 18 filed a certification timely and 1 filed a certification for only a portion of the fiscal year.

This report includes the filing status for 21 cities and 5 villages that filed at least one of the items (financial report, addendum, or certification) in September 2019, after their filing deadline. Of these entities, 12 filed an annual financial report, 14 filed an addendum, and 3 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	Village of Gibbs Village	No		n/a	n/a
Atchison	City of Tarkio	Yes	April 2, 2019	No	No
Audrain	City of Martinsburg	No		No	n/a
	Village of Benton City	No		No	n/a
Barry	City of Monett	Yes	August 7, 2019	Yes	Yes
Bates	City of Butler	Yes	September 27, 2019	No	Yes
Boone	City of Centralia	No		No	n/a
Buchanan	Village of Agency	Yes	September 18, 2019	n/a	n/a
	Village of Lewis & Clark	Yes	September 22, 2019	n/a	n/a
Camden	Village of Sunrise Beach	Yes	July 19, 2019	No	No
Cape Girardeau	Village of Old Appleton	Yes	September 9, 2019	n/a	n/a
	Village of Pocahontas	Yes	September 30, 2019	n/a	n/a
Carroll	City of Norborne	No		No	n/a
Cass	City of Belton	Yes	September 27, 2019	Yes	Yes
	City of Pleasant Hill	No		No	No
Chariton	City of Triplett	Yes	August 7, 2019	n/a	n/a
Clark	City of Kahoka	Yes	August 26, 2019	No	n/a
Clay	City of Holt	No		No	n/a
	City of Kearney	Yes	September 4, 2019	Yes	Yes
	City of Mosby	Yes	June 15, 2019	Yes	n/a
	Village of Claycomo	Yes	September 25, 2019	Yes	Yes
	Village of Oakview	Yes	June 20, 2019	Yes	Yes
Clinton	Village of Grayson	Yes	September 3, 2019	n/a	n/a
Cole	City of Lohman	Yes	August 29, 2019	n/a	n/a
Cooper	City of Blackwater	Yes	August 21, 2019	No	n/a
	City of Boonville	Yes	August 21, 2019	No	n/a
	City of Pilot Grove	No		No	n/a
DeKalb	City of Osborn	Yes	August 28, 2019	No	n/a
Franklin	Village of Leslie	No		n/a	n/a
Grundy	City of Spickard	Yes	May 14, 2019	n/a	n/a
Henry	City of Calhoun	Yes	September 23, 2019	No	n/a
Holt	Village of Corning	No		n/a	n/a
Howell	City of West Plains	Yes	September 24, 2019	No	Yes
Jefferson	City of Crystal City	Yes	September 24, 2019	Yes	Yes
	Village of Scotsdale	Yes	April 23, 2019	n/a	n/a
Lafayette	City of Lexington	Yes	August 13, 2019	Yes	Yes
	City of Napoleon	Yes	July 28, 2019	No	n/a
	City of Odessa	Yes	September 30, 2019	Yes	Partial
	Village of Dover	No		n/a	n/a
Lawrence	City of Pierce City	No		Yes	Yes
	City of Verona	Yes	September 16, 2019	Yes	No
Livingston	City of Chillicothe	Yes	September 26, 2019	Yes	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Miller	City of Iberia	Yes	July 10, 2019	Yes	No
	Village of Olean	Yes	September 26, 2019	n/a	n/a
Mississippi	City of East Prairie	No		No	No
Moniteau	City of California	No		Yes	n/a
Monroe	City of Paris	Yes	August 15, 2019	No	n/a
Montgomery	City of Jonesburg	Yes	July 22, 2019	No	n/a
	City of McKittrick	Yes	April 5, 2019	n/a	n/a
	City of Wellsville	No		No	n/a
	Village of Rhineland	Yes	May 29, 2019	No	n/a
Osage	City of Westphalia	No		n/a	n/a
Perry	City of Perryville	Yes	September 25, 2019	Yes	Yes
Pettis	City of Sedalia	Yes	September 24, 2019	Yes	Yes
Pike	Village of Eolia	Yes	June 28, 2019	No	n/a
Putnam	City of Unionville	Yes	August 22, 2019	Yes	n/a
Ray	City of Hardin	Yes	September 30, 2019	Yes	Yes
Saline	City of Sweet Springs	Yes	August 14, 2019	No	No
	Village of Arrow Rock	Yes	July 18, 2019	n/a	n/a
	Village of Mount Leonard	Yes	August 1, 2019	n/a	n/a
Scotland	Village of Arbela	Yes	August 19, 2019	n/a	n/a
Scott	City of Chaffee	Yes	September 30, 2019	No	No
	City of Oran	Yes	August 29, 2019	Yes	n/a
Shelby	Village of Bethel	Yes	September 3, 2019	n/a	n/a
St. Clair	Village of Vista	No		n/a	n/a
St. Francois	City of Leadwood	Yes	May 15, 2019	Yes	Yes
St. Louis	City of Jennings	Yes	September 24, 2019	Yes	Yes
	City of Kirkwood	Yes	September 27, 2019	Yes	Yes
	City of Rock Hill	Yes	September 27, 2019	Yes	Yes
	City of Velda Village Hills	No		No	No
	Village of Hillsdale	No		No	n/a
	Village of Sycamore Hills	Yes	September 26, 2019	Yes	No
Taney	City of Hollister	Yes	September 6, 2019	No	No
Texas	City of Licking	No		No	No
Vernon	Village of Harwood	No		n/a	n/a
Wright	City of Mansfield	Yes	July 22, 2019	Yes	Yes
Total Filed		55		25	18
Total Partially Filed		0		0	1
Total Not Filed		21		29	12
Total n/a		0		22	45

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in September 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Webster	City of Fordland	**	December 31, 2018	Yes	Yes
Total Filed		0		1	1

** Filed by December 31, 2018.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in September 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Buchanan	City of Easton	**	May 9, 2019	No	Yes
Carter	City of Van Buren	Yes	September 15, 2019	No	n/a
Cooper	City of Otterville	**	June 25, 2019	Yes	n/a
Dunklin	City of Cardwell	**	January 4, 2019	***	Yes
Iron	Village of Des Arc	Yes	September 12, 2019	n/a	n/a
Jasper	City of Sarcoxie	**	March 29, 2019	Yes	n/a
Johnson	City of Leeton	**	June 18, 2019	Yes	n/a
Lincoln	City of Foley	Yes	September 18, 2019	No	n/a
	City of Old Monroe	Yes	September 16, 2019	Yes	n/a
	City of Silex	***	July 29, 2019	Yes	n/a
Macon	City of New Cambria	Yes	September 19, 2019	n/a	n/a
Madison	City of Marquand	***	July 1, 2019	Yes	n/a
Montgomery	City of Bellflower	**	February 22, 2019	Yes	n/a
New Madrid	City of Morehouse	**	January 4, 2019	Yes	**
Nodaway	City of Pickering	**	March 14, 2019	Yes	n/a
Osage	Village of Argyle	Yes	September 4, 2019	n/a	n/a
Reynolds	City of Centerville	Yes	September 11, 2019	n/a	n/a
Saline	City of Emma	**	June 29, 2019	Yes	n/a
Shelby	City of Shelbyville	**	June 17, 2019	Yes	n/a
St. Louis	City of Bel Ridge	Yes	September 12, 2019	Yes	**
	City of Lakeshire	**	June 24, 2019	Yes	***
Vernon	City of Metz	Yes	September 5, 2019	n/a	n/a
Warren	Village of Pendleton	Yes	September 16, 2019	n/a	n/a
Total Filed		10		13	2

** Filed by June 30, 2019.

*** Filed after June 30, 2019, but before September 2019.

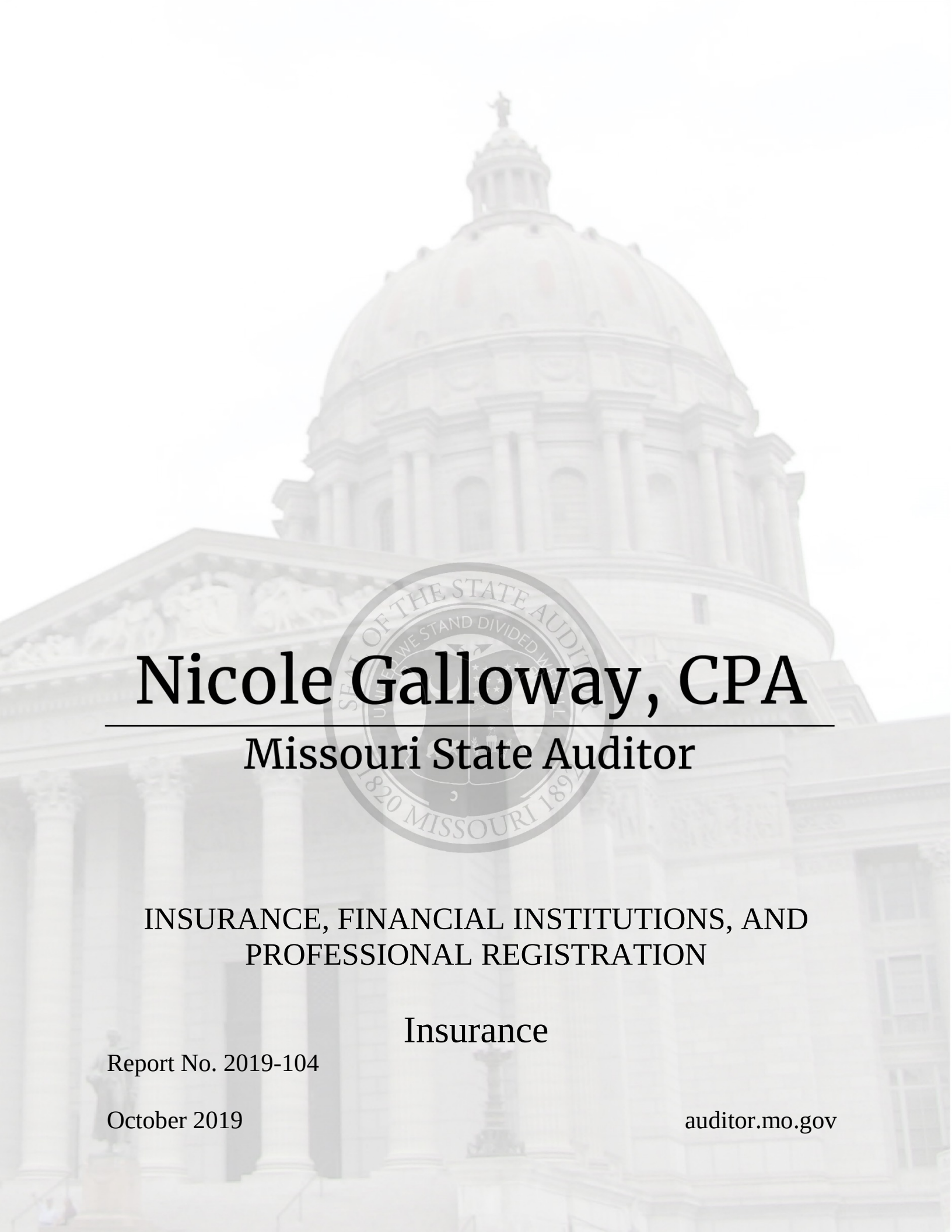
n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2019
Filed in September 2019

Fiscal Year Ended February 28, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Osage	Village of Freeburg	Yes	September 30, 2019	No	n/a
St. Louis	Village of Uplands Park	Yes	September 18, 2019	No	No
Total Filed		2		0	0

n/a Entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

Insurance

Report No. 2019-104

October 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Insurance, Financial Institutions, and Professional Registration - Insurance

Insurance Dedicated Fund Expenditures	In fiscal years 2018, 2017, and 2016, costs incurred by the Department of Health and Senior Services were paid from the Insurance Dedicated Fund. State law requires appropriations from the Fund to be used solely for the payment of expenditures incurred by the Department of Insurance, Financial Institutions, and Professional Registration - Insurance.
Examination Fee and Other Fee Tax Credit	The Department makes no attempt to determine the cost-benefit of the Examination Fee and Other Fee Tax Credit on the annual Tax Credit Analysis Form provided to the General Assembly. As a result, a significant portion of examination costs are borne by the state instead of insurance companies without any evidence of the effectiveness of the incentive being paid.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Mike Parson, Governor
and
Chlora Lindley-Myers, Director
Department of Commerce and Insurance
Jefferson City, Missouri

We have audited certain operations of the Department of Insurance, Financial Institutions, and Professional Registration - Insurance, in fulfillment of our duties under Chapter 29 and 374, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2018, 2017, and 2016. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.

2. Evaluate the department's compliance with certain legal provisions.

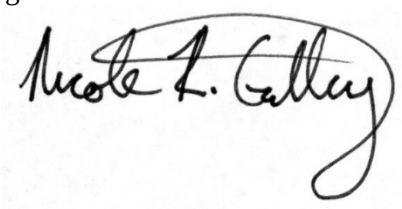
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with a legal provision, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration - Insurance.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Terese Summers, MSAS, CPA
	Stephanie M. Kroner
	Michaela N. Shaver

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Management Advisory Report - State Auditor's Findings

1. Insurance Dedicated Fund Expenditures

In fiscal years 2018, 2017, and 2016, costs incurred by the Department of Health and Senior Services (DHSS) were paid from the Insurance Dedicated Fund. State law requires appropriations from the Insurance Dedicated Fund to be used solely for the payment of expenditures incurred by the Department of Insurance, Financial Institutions, and Professional Registration (DIFP) - Insurance.

Using funding appropriated in the department's approved budgets, the DHSS spent $500,000 during the year ended June 30, 2018, and $1 million during the years ended June 30, 2017 and 2016, from the Insurance Dedicated Fund for the costs of maintaining and operating a poison control hotline. In addition, DHSS received appropriations of $500,000 from this fund in the department's budget for the year ended June 30, 2019.

The Insurance Dedicated Fund is authorized by Section 374.150.1, RSMo, to receive all fees due to the state under the provisions of the insurance laws. Section 374.150.2, RSMo, provides, in part, that the Insurance Dedicated Fund is "subject to appropriation of the general assembly and shall be devoted solely to the payment of expenditures incurred by the department attributable to duties performed by the department for the regulation of the business of insurance, regulation of health maintenance organizations, and the operation of the division of consumer affairs as required by law which are not paid for by another source of funds." The General Assembly should evaluate the restrictions on the purpose of the Insurance Dedicated Fund before appropriating monies from the fund.

A similar condition was noted in the prior report.

Recommendation

The DIFP-Insurance work with the General Assembly to ensure all appropriated disbursements from the Insurance Dedicated Fund are reasonable and proper and relate to the overall function of the department.

Auditee's Response

The DIFP's written response is included at Appendix A.

2. Examination Fee and Other Fee Tax Credit

The Department makes no attempt to determine the cost-benefit of the Examination Fee and Other Fee Tax Credit on the annual Tax Credit Analysis Form provided to the General Assembly. As a result, a significant portion of examination costs are borne by the state instead of insurance companies without any evidence of the effectiveness of the incentive being paid. Missouri is one of only five states[1] to allow insurance companies to receive tax credits for examination costs.

[1] North Dakota, Alabama, Utah, and Texas are the other states with an examination fee tax credit.

Based on Department of Revenue data, approximately $14.8 million in examination fee tax credits have been redeemed by insurance companies in the 3 fiscal years ended June 30, 2018. Although no specific goals of the program are stated and no performance measures have been historically reported on the Tax Credit Analysis Form, the fiscal year 2019 form contains historical data on the number of Missouri-based insurance companies and out of state insurance companies that redeemed the tax credit. The information presented shows that the number of insurance companies redeeming the tax credit has decreased from 66 companies in calendar 2016 to 52 in calendar year 2018.

Chapter 374, RSMo requires the DIFP-Insurance to examine insurance companies on a predetermined basis and to bill the insurance companies for the costs of these examinations. However, Section 148.400 RSMo, allows all insurance companies to deduct the entire cost of examinations, as well as income taxes, franchise taxes, personal property taxes, valuation fees, and/or registration fees paid from premium taxes paid and deposited into the state's General Revenue Fund. Additionally, this statute allows insurance companies to carry forward unused examination credits for up to 5 years.

The tax credit for examination fees is unusual, with Missouri being the only state among its contiguous states with such a program. Without some measure of the cost-effectiveness of the program it is unclear how the General Assembly justifies the continuation of the credit. Ensuring the Tax Credit Analysis Form includes an estimate of the cost-benefit of the program, including measures of performance, will provide the General Assembly with sufficient information to properly evaluate the program on an ongoing basis.

A similar condition was noted in our five prior reports.

Recommendation

The DIFP include cost-benefit and performance measure information on the Tax Credit Analysis Form to allow the General Assembly to evaluate the Missouri Examination Fee and Other Fee Tax Credit. Without such information, the General Assembly should consider legislation to reduce or eliminate the credit.

Auditee's Response

The DIFP's written response is included at Appendix A.

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Organization and Statistical Information

The Missouri Division of Insurance was created by an act of the Missouri legislature in 1869. With the enactment of the state Omnibus Reorganization Act of 1974, the agency was transferred to the Department of Consumer Affairs, Regulation and Licensing. Constitution Amendment No. 6 passed in August 1984, changed the name of the Department of Consumer Affairs, Regulation and Licensing, to the Department of Economic Development, effective September 7, 1984. Constitutional Amendment No. 4, passed in August 1990, created a new Department of Insurance, effective July 1, 1991. Executive Order 06-04 consolidated the former Department of Insurance, the Division of Finance, the State Banking Board, the Division of Credit Unions, and the Division of Professional Registration into one department and changed the name of the department to the Missouri Department of Insurance, Financial Institutions, and Professional Registration (DIFP), effective August 28, 2006. Executive Order 19-02 transferred the Office of Public Counsel and the Public Service Commission to the DIFP and changed the name to the Department of Commerce and Insurance, effective August 28, 2019.

The DIFP-Insurance operates under the authority of Chapter 374, RSMo. The management and control of the DIFP is vested in a director who is nominated by the Governor with the advice and consent of the Senate. John Huff served as Director from February 9, 2009, until February 6, 2017. Chlora Lindley-Myers was appointed Director on March 6, 2017 and continues to serve in that capacity.

As of June 30, 2018, there were 226 domestic and 1762 foreign and alien insurance companies licensed in Missouri. Insurers with primary corporate headquarters located in a particular state are called domestic insurers. Foreign insurers are those that are allowed to sell insurance in a state but have a primary legal residence in another state.

The DIFP - Insurance regulates the insurance industry in the state through enforcement of Chapters 325, 354, and 374 through 385, RSMo. The department regulates and licenses the insurance industry in the state, ensures the insurance industry is financially sound, trustworthy, competent, and responsive to the insurance-buying public; and ensures the insurance industry complies with the laws of the state. To fulfill these responsibilities, the department maintains a central office in Jefferson City and branch offices in St. Louis and Kansas City. The DIFP-Insurance is organized into the following functional units: Insurance Company Regulation Division, Insurance Market Regulation Division, Insurance Consumer Affairs Division, and Administration Division. The DIFP-Insurance had 184 employees as of June 30, 2018.

The DIFP - Insurance administers transactions in the funds listed below.

The Insurance Examiner's Fund is authorized by Section 374.160 and 374.162, RSMo, to receive all monies paid to the state by insurance companies for the costs incurred by the department in conducting examinations, valuations, or proceedings against such companies. Expenditures, authorized by appropriations, are to be used for the purpose of paying the compensation of insurance examiners and expenses directly related to examinations. Any unexpended balances in this fund are perpetually maintained for the purposes of this fund.

The Insurance Dedicated Fund is authorized by Section 374.150, RSMo, to receive all fees due to the state under the provisions of the insurance laws. Appropriations from this fund are to be used solely for payment of expenditures incurred by the department in performing the duties required by law that are not paid for by another source of funds. Any unexpended balance in this fund is perpetually maintained for the purposes for this fund unless the unencumbered balance at the close of the biennium year exceeds two times the total amount appropriated, paid, or transferred to the fund during such fiscal year.

The DIFP-Insurance administers programs financed partially by federal funding placed in the Federal Missouri Department of Insurance Fund. The department receives appropriations from this fund.

The DIFP-Administrative Fund is used to account for department-wide expenditures for budget, legislative coordination, public information, accounting, human resources, and department management. The fund receives monies through a cost allocation to the divisions within DIFP.

The DIFP-Insurance does not receive any appropriations from the General Revenue Fund and does not maintain any proprietary interest in this fund. Receipts collected by the Department of Revenue (DOR) on behalf of the department and deposited into the state's General Revenue Fund include the following:

- Foreign Companies Premium Taxes: In accordance with various provisions of Chapter 148, RSMo, foreign insurance companies licensed in the state are required to pay a 2 percent tax on direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due together with the amount of quarterly installments to be paid by the insurance companies. The DOR collects the premium taxes and deposits them into the General Revenue Fund. Some premium taxes deposited into the General Revenue Fund are not available for general revenue purposes. The provisions of Chapter 148, RSMo, restrict about 50 percent of such premium taxes for distribution to the various school districts in the state.

- Captive Insurance Premium Taxes: In accordance with various provisions of Chapter 379, RSMo, captive insurance companies licensed in the state are required to pay a premium tax at the rate of thirty-eight-hundredths of 1 percent on the first $20 million, and two hundred eighty-five-thousandths of 1 percent on the next $20 million, and nineteen-hundredths of 1 percent on the next $20 million dollars, and seventy-two-thousandths of 1 percent on each dollar thereafter on the direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due to be paid by the insurance companies. The DOR collects these premium taxes and deposits them into the General Revenue Fund.

- Special Purpose Life Insurance Captive (SPLRC) Premium Taxes: In accordance with various provisions of Chapter 379, RSMo, each SPLRC is required to pay a premium tax at the rate of two hundred fourteen thousandths of 1 percent on the first $20 million of assumed reinsurance premium, and one hundred forty-three thousandths of 1 percent on the next $20 million, and forty-eight thousandths of 1 percent on the next $20 million, and twenty-four thousandths of 1 percent of each dollar thereafter on the direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due for to be paid by the insurance companies. The DOR collects these premium taxes and deposits them into the General Revenue Fund.

- Surplus Lines: In accordance with the various provisions of Chapter 384, RSMo, surplus lines insurers are required to pay a 5 percent tax on net premiums for high risk insurance that is underwritten. The DOR collects the surplus lines taxes and deposits them into the General Revenue Fund.

The department certifies to the DOR all penalties and interest due as a result of late payments of surplus lines taxes. The DOR collects the penalties and interest and deposits the amounts into the State School Moneys Fund. In addition, fines and forfeitures imposed and collected by the department under the Missouri Insurance Code are deposited into the State School Moneys Fund.

In accordance with Sections 148.320 and 148.330, RSMo, domestic insurance companies licensed in the state are required to pay a 2 percent tax on direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due together with the amount of quarterly installments to be paid by the insurance companies. The DOR collects the premium taxes and deposits them into the Financial Institutions Tax Fund.

The DIFP-Insurance is authorized to administer Missouri chartered insurance companies requiring rehabilitation or liquidation, commonly referred to as receiverships. Thirteen insurance companies were in receivership at some

point during the 3 years ended June 30, 2018. Five of these receiverships were closed as of June 30, 2018. Companies placed into receivership are under circuit court supervision with the judge appointing the Director as receiver. The Director may appoint a special deputy receiver or agent. There were seven companies that did not have a special deputy receiver assigned to them. The department handled the day-to-day operations for three of these companies and contracted with vendors to act as agents for the other four companies. The six remaining companies were assigned special deputy receivers by the court, and these special deputy receivers directly supervised the companies. The contracted vendors and the special deputy receivers submit disbursements to DIFP - Insurance for approval.

According to the National Association of Insurance Commissioners (NAIC), for calendar year 2017, Missouri ranked 12th nationally in the number of insurance companies incorporated in the state. The department's budget for fiscal year 2018 ranks twenty-second nationally.

The following provides a breakdown of the type of companies licensed in the state.

	As of June 30, 2018	
Type of Company	Missouri Domicile	Foreign and Alien
Captive	49	1
Domestic Surplus Lines Insurer	4	0
Fraternal Benefit	1	28
Health Maintenance Organization	16	13
Health Services	1	0
Life and Health	27	454
Mutual Property	79	0
Prepaid Dental	6	10
Professional Malpractice	4	0
Property and Casualty	38	888
Reinsurer	0	349
Title	1	19
Total	226	1,762

Governor Michael L. Parson
State of Missouri

Missouri Department of
Commerce & Insurance
Chlora Lindley-Myers, Director

September 26, 2019

Honorable Nicole R. Galloway, CPA
State Auditor
Jefferson City, Missouri

Please accept these responses to the audit your office conducted of the Department of Insurance, Financial Institutions and Professional Registration – Insurance for the years ended June 30, 2018, 2017 and 2016.

1. **Insurance Dedicated Fund - Audit Recommendation:**
The DIFP-Insurance work with the General Assembly to ensure all appropriated disbursements from the Insurance Dedicated Fund are reasonable and proper and relate to the overall function of the department.

Department's Response:
The department will continue to work with the General Assembly to ensure that the department's Insurance Dedicated Fund appropriations authorize the department to make reasonable and proper expenditures that relate to the overall function of the department.

2. **Examination Fee and Other Fee Tax Credit - Audit Recommendation:**
The DIFP include cost-benefit and performance measure information on the Tax Credit Analysis Form to allow the General Assembly to evaluate the Missouri Examination Fee and Other Fee Tax Credit. Without such information, the General Assembly should consider legislation to reduce or eliminate the credit.

Department's Response:
The department will continue to complete the Tax Credit Analysis Form and track and provide information on the Missouri Examination Fee and Other Fee Tax Credit (Section 148.400, RSMo.) to the General Assembly as required under the Tax Credit Accountability Act, Sections 135.800-135.830, RSMo. The department will research cost-benefit and performance measures and consider adding them or other clarifying information to the form.

If the department may be of further assistance, please let us know.

Respectfully,

Chlora Lindley-Myers

Chlora Lindley-Myers, Director

DCI
301 West High Street, Room 530 • Jefferson City, Missouri 65101 •
Telephone 573/751-4126 • RelayMo TTY Dial 711 or 1-800-735-2966
dci.mo.gov

Appendix B

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,		
	2018	2017	2016
FEDERAL MDI FUND			
Receipts	$ 1,161,230	1,220,000	1,393,666
Disbursements	1,161,230	1,220,000	1,322,671
Receipts Over (Under) Disbursements	0	0	70,995
Transfers In	0	0	0
Transfers Out[1]	0	0	(71,198)
Receipts Over (Under) Disbursements and Transfers	0	0	(203)
Cash and Investments, July 1	0	0	203
Cash and Investments, June 30	$ 0	0	0
INSURANCE EXAMINERS FUND			
Receipts	$ 5,143,819	4,588,539	5,398,239
Disbursements	3,870,695	3,557,099	3,668,249
Receipts Over (Under) Disbursements	1,273,124	1,031,440	1,729,990
Transfers In	0	0	0
Transfers Out[1]	(1,513,503)	(1,290,541)	(1,347,443)
Receipts Over (Under) Disbursements and Transfers	(240,379)	(259,101)	382,547
Cash and Investments, July 1	783,801	1,042,902	660,355
Cash and Investments, June 30	$ 543,422	783,801	1,042,902
INSURANCE DEDICATED FUND			
Receipts	$ 14,343,633	13,669,911	13,136,952
Disbursements	9,788,136	11,437,717	11,078,528
Receipts Over (Under) Disbursements	4,555,497	2,232,194	2,058,424
Transfers In	0	0	0
Transfers Out[1]	(3,834,518)	(3,847,231)	(3,679,875)
Receipts Over (Under) Disbursements and Transfers	720,979	(1,615,037)	(1,621,451)
Cash and Investments, July 1	1,880,005	3,495,042	5,116,493
Cash and Investments, June 30	$ 2,600,984	1,880,005	3,495,042

Appendix B

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,		
	2018	2017	2016
DIFP ADMINISTRATIVE FUND			
Receipts	$ 272	56	13
Disbursements	200,730	207,043	208,968
Receipts Over (Under) Disbursements	(200,458)	(206,987)	(208,955)
Transfers In[2]	271,424	259,021	282,973
Transfers Out[1]	(71,619)	(61,354)	(63,977)
Receipts Over (Under) Disbursements and Transfers	(653)	(9,320)	10,041
Cash and Investments, July 1	723	10,043	2
Cash and Investments, June 30	$ 70	723	10,043
Total Cash and Investments, June 30, All Funds	$ 3,144,476	2,664,529	4,547,987

[1] Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

[2] Transfers In include transfers from divisions within DIFP for department administration.

Appendix C

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Comparative Statement of Receipts

	Year Ended June 30,		
	2018	2017	2016
GENERAL REVENUE FUND			
Foreign companies premium insurance	$ 308,331,508	278,816,242	245,687,869
Captive insurance taxes	969,556	929,273	1,583,141
Special purpose life insurance	643,030	663,935	0
Surplus lines taxes	34,308,445	33,455,598	30,024,860
Total General Revenue Fund	$ 344,252,539	313,865,048	277,295,870
STATE SCHOOL MONEYS FUND			
Surplus lines penalties	$ 68,210	66,566	48,731
Fines and forfeitures	722,238	1,654,520	2676891
Total State School Moneys Fund	790,448	1,721,086	2,725,622
INSURANCE DEDICATED FUND			
Captive insurance taxes	$ 79,888	109,704	175,071
Special purpose life insurance	71,448	73,771	0
Total Insurance Dedicated Fund	151,336	183,475	175,071
FINANCIAL INSTITUTIONS TAX FUND			
Domestic companies premium taxes	$ 8,923,042	9,461,457	9,132,530

Appendix D

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2018			2017			2016		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL - MDI FUND									
Health Insurance Counseling	$ 1,250,000	1,161,230	88,770	1,250,000	1,220,000	30,000	1,250,000	1,170,275	79,725
Federal Grants Personal Service	0	0	0	478,096	0	478,096	468,722	145,653	323,069
Federal Grants Expense and Equipment	0	0	0	64,511	0	64,511	64,511	6,743	57,768
Total Federal - MDI Fund	1,250,000	1,161,230	88,770	1,792,607	1,220,000	572,607	1,783,233	1,322,671	460,562
INSURANCE EXAMINERS FUND									
Personal Service	3,446,590	3,414,494	32,096	3,403,590	3,154,453	249,137	3,306,259	3,289,339	16,920
Expense and Equipment	770,967	222,276	548,691	767,699	256,449	511,250	121,328	39,365	81,963
Insurance Refunds	60,000	1,503	58,497	60,000	8	59,992	60,000	0	60,000
Insurance Leasing	11,991	9,581	2,410	11,096	9,744	1,352	11,215	11,119	96
IT Consolidation Expense and Equipment	140,328	135,309	5,019	121,328	49,840	71,488	765,674	247,059	518,615
Unemployment Benefits	0	0	0	820	0	820	8,320	0	8,320
State Office Building Rent, Maintenance, and Repair	87,569	87,569	0	84,294	84,294	0	83,856	83,856	0
Total Insurance Examiners Fund	4,517,445	3,870,732	646,713	4,448,827	3,554,788	894,039	4,356,652	3,670,738	685,914
INSURANCE DEDICATED FUND									
Personal Service	8,727,316	7,331,652	1,395,664	8,306,262	7,862,502	443,760	7,838,488	7,497,589	340,899
Expense and Equipment	2,038,207	756,740	1,281,467	2,022,104	1,350,428	671,676	2,013,092	1,284,898	728,194
IT Consolidation Personal Service	417,922	256,841	161,081	527,922	461,533	66,389	517,571	493,267	24,304
IT Consolidation Expense and Equipment	401,043	269,928	131,115	401,044	216,211	184,833	401,044	244,764	156,280
Board and Commissions Personal Service[1]	1,718	1,718	0	0	0	0	0	0	0
Insurance IT Projects Personal Services	110,000	101,118	8,882	0	0	0	0	0	0
Unemployment Benefits	15,852	8,232	7,620	15,852	6,400	9,452	19,852	4,591	15,261
Insurance Leasing	5,331	3,797	1,534	5,856	5,810	46	6,864	6,538	326
Health Insurance Counseling	200,000	200,000	0	200,000	200,000	0	200,000	200,000	0
State Office Building Rent, Maintenance, and Repair	345,554	345,554	0	327,330	327,330	0	324,111	324,070	41
Poison Control Hotline[2]	500,000	500,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0
Refunds	75,000	12,463	62,537	75,000	9,820	65,180	75,000	20,464	54,536
Total Insurance Dedicated Fund	12,837,943	9,788,043	3,049,900	12,881,370	11,440,034	1,441,336	12,396,022	11,076,181	1,319,841
Total All Funds	$ 18,605,388	14,820,005	3,785,383	19,122,804	16,214,822	2,907,982	18,535,907	16,069,590	2,466,317

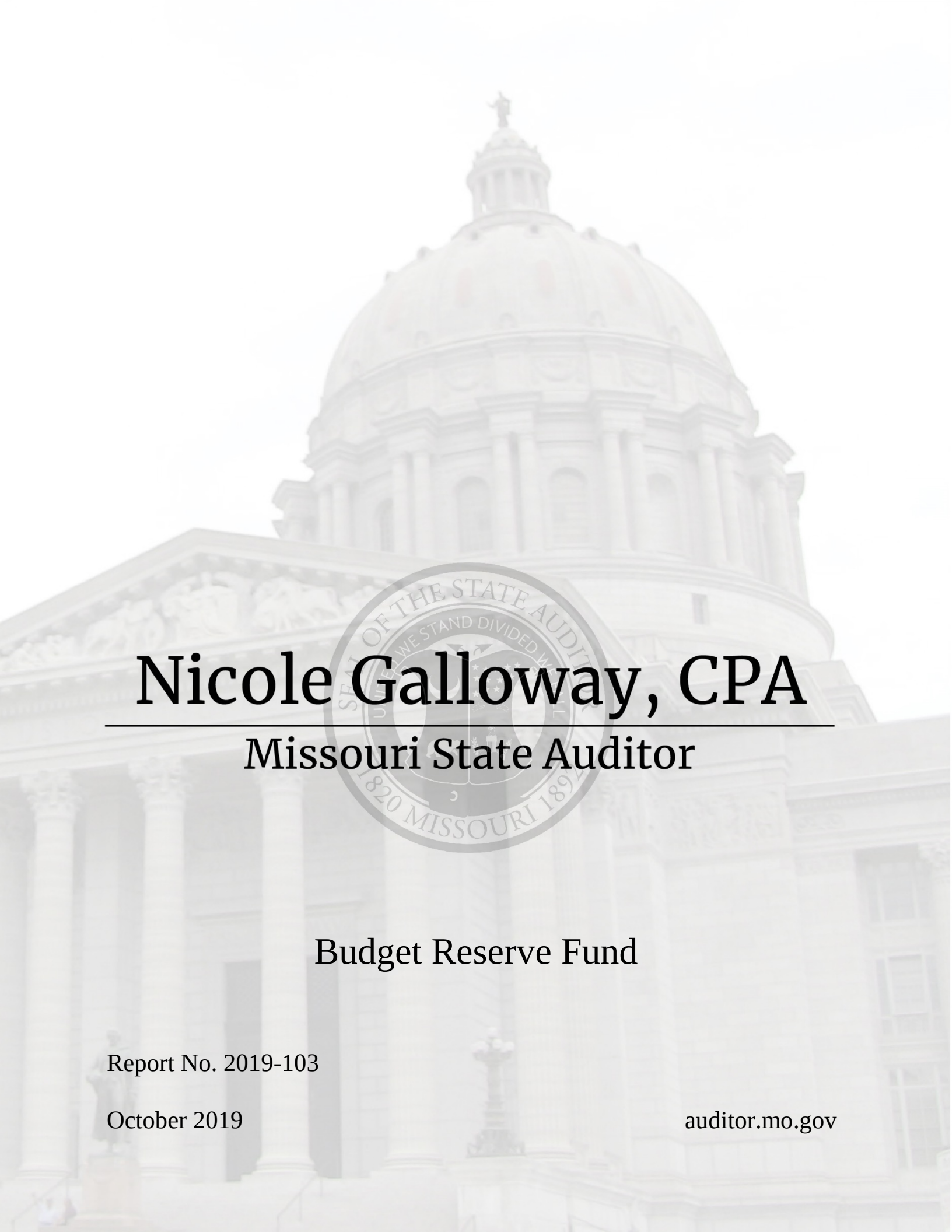
[1] The Governor's office has spending authority for this appropriation.

[2] The Department of Health and Senior Services has spending authority for this appropriation.

Appendix E

Department of Insurance, Financial Institutions, and Professional Registration- Insurance
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,		
	2018	2017	2016
Salaries and wages	$ 11,105,824	11,478,487	11,425,848
Travel, in-state	136,446	185,589	155,181
Travel, out-of-state	147,363	243,713	262,838
Supplies	162,029	172,941	186,981
Professional development	99,787	97,762	134,159
Communication service and supplies	95,668	139,443	131,378
Services:			
Professional	443,603	838,856	694,177
Housekeeping and janitorial	413	107	108
Maintenance and repair	86,784	132,553	108,601
Equipment:			
Computer	170,794	1,916	33,131
Motorized	0	0	13,280
Office	11,647	30,539	40,927
Other	13,301	8,292	26,508
Property and improvements	0	0	10,881
Building lease payments	457,804	442,960	437,774
Equipment rental and leases	456	2,280	1,824
Miscellaneous expenses	4,659	3,156	10,664
Refunds	13,965	9,828	20,464
Program distributions	1,869,462	2,426,400	2,374,866
Total Expenditures	$ 14,820,005	16,214,822	16,069,590



Nicole Galloway, CPA

Missouri State Auditor

Budget Reserve Fund

Report No. 2019-103

October 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Budget Reserve Fund Management Advisory Report

Background	The Missouri's Budget Reserve Fund (BRF), frequently referred to as the "rainy day fund," was established by Senate Joint Resolution 25 (1999) under Missouri Constitution, Article IV, Sec. 27(a).
Fund Restrictions Leave State Vulnerable to Effects of Recession	The state does not have sufficient contingency funds in the BRF to address budget shortfalls in the event of an economic downturn. The state uses the BRF solely to borrow money annually for cash-flow assistance purposes leaving little to no money available to remedy budget shortfalls or emergencies. The Missouri Constitution restricts the maximum balance of the BRF to a level well below the anticipated reserves necessary to weather the next recession. Restrictions on accessing contingency funds as well as restrictions on fund repayment also make using the BRF for budget stabilization purposes difficult. Maintaining insufficient contingency funds and having significant restrictions on accessing those funds leaves the state unable to appropriately respond to economic recession or emergencies without significant cuts to state spending or services.

Due to the nature of this report, no rating is provided.

Budget Reserve Fund
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

We have audited the Budget Reserve Fund as authorized by state law, in fulfillment of our duties under Chapter 29, RSMo. The Scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2019. The objectives of our audit were to:

1. Evaluate compliance with certain legal provisions as they relate to the Budget Reserve Fund.

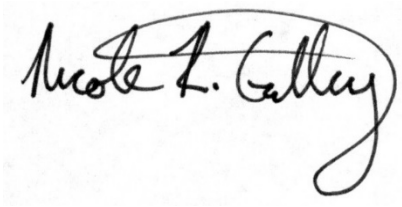
2. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions, as they relate to the Budget Reserve Fund.

3. Evaluate the sufficiency of Budget Reserve Fund balances.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Since the findings and recommendations contained in this report are legislative in nature and no central agency exists to formally provide responses, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in the Management Advisory Report. The views of responsible Office of Administration officials were obtained and included where appropriate.

For the areas audited, we identified (1) no significant noncompliance with legal provisions, (2) the need for improvement in management practices and procedures, and (3) the need for improvement in the sufficiency of the Budget Reserve Fund balances. The accompanying Management Advisory Report presents our findings arising from our audit of the Budget Reserve Fund.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Alex Bruner, MBA, CFE
Audit Staff:	Nicole Cash, MBA, CFE, CGAP

Budget Reserve Fund
Introduction

Background

Missouri's Budget Reserve Fund (BRF), frequently referred to as the "rainy day fund," was established by Senate Joint Resolution 25 (1999) under Missouri Constitution, Article IV, Sec. 27(a). The joint resolution was put to a public vote in the 2000 general election and approved by 59 percent of the voters. The BRF was preceded by two different funds, the Budget Stabilization Fund and the Cash Operating Reserve Fund, which were created in response to the recession of the early 1980s.[1]

The Budget Stabilization Fund was created by statute[2] in 1985 to allow the Governor to use appropriations from the fund for expenditures authorized by existing state agency appropriations that had been withheld due to revenue shortfalls. This could only be done while the General Assembly was in session and the General Assembly could deny the use of the fund. The statute did not include provisions requiring repayment of funds used. Monies were placed in the fund pursuant to Senate Bill 2, enacted in 1989, which required revenues collected but not used for refunds to federal retirees to be placed in the Budget Stabilization Fund.[3]

The Cash Operating Reserve Fund was created in 1986 by constitutional amendment in order for the state to meet short-term financial needs. Specific legislative authorization was not required to use the fund, but the monies used, plus interest, had to be repaid by May 15th of the same fiscal year in which used. The Cash Operating Reserve Fund was regularly used for cash flow purposes or for natural disasters, such as the flooding that occurred throughout the state in 1993.[4]

Missouri Constitution

The Missouri Constitution (Constitution) established the BRF.[5] The Constitution allows the Commissioner of Administration to make "cash operating transfers" from the BRF to the General Revenue (GR) Fund or any other state fund without other legislative action if determined necessary for the cash requirements of the state.[6]

The Constitution requires the Commissioner of Administration to transfer an amount equal to the cash operating transfer received, with the interest that would have been earned, to the BRF from any fund that received a cash operating transfer prior to May 16th of the fiscal year in which the transfer

[1] Missouri Legislative Academy, *Missouri's Budget Reserve Fund*, https://mospace.umsystem.edu/xmlui/bitstream/handle/10355/2596/MissourisBudgetReserveFund.pdf?sequence=1&isAllowed=y, accessed April 2019.
[2] Section 33.285, RSMo, repealed by House Bill 1965 (2010).
[3] Missouri Legislative Academy, *Missouri's Budget Reserve Fund.*
[4] Missouri Legislative Academy, *Missouri's Budget Reserve Fund.*
[5] Article IV, Section 27(a), of the Missouri Constitution.
[6] Article IV, Section 27(a)(2), of the Missouri Constitution.

was made. In addition, no cash operating transfers out of the BRF may be made after May 15th of any fiscal year.[7]

The Constitution requires all funds in the BRF to be invested by the Treasurer in the same manner as other state funds are invested. [8] Any interest earned on such investments shall be credited to the BRF and the unexpended balance in the BRF at the close of any fiscal year shall remain in the fund subject to the limitations imposed on the fund balance by the Constitution.

The Constitution states that in any fiscal year in which the Governor reduces the expenditures of the state or any state agencies below their appropriations, the General Assembly may appropriate funds from the BRF to fulfill the expenditures authorized by the existing appropriations which were affected by the Governor's decision to reduce expenditures. In addition, if there is a budget need due to a disaster, declared by the Governor as an emergency, the General Assembly may also appropriate funds from the BRF to meet budget needs due to the disaster. Both instances are fulfilled upon a request by the Governor for an emergency appropriation and by a two-thirds vote of the members elected to each house. These expenditures shall be deemed to be for "budget stabilization purposes." The maximum amount that may be appropriated at any time for such budget stabilization purposes shall be one-half of the total balance of the fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes, but not yet appropriated for repayment to the fund.[9]

The Constitution states that one-third of the amount transferred or expended from the BRF for budget stabilization purposes during any fiscal year, including interest that would otherwise have been earned, will be appropriated to the BRF during each of the next 3 fiscal years. These amounts appropriated shall be transferred from the fund which received the transfer to the BRF by July 15th for each of the next 3 fiscal years, or until the full amount, including interest, has been returned to the BRF. The maximum amount, which may be outstanding at any one time and subject to repayment to the BRF for budget stabilization purposes shall be one-half of the total balance in the fund and all outstanding amounts appropriated or otherwise owed to the fund.[10]

The Constitution states that if the balance of the BRF at the close of any fiscal year exceeds 7.5 percent of the net general revenue collections for the previous fiscal year, the excess amount shall be transferred to the GR Fund

[7] Article IV, Section 27(a)(3), of the Missouri Constitution.
[8] Article IV, Section 27(a)(4), of the Missouri Constitution.
[9] Article IV, Section 27(a)(5), of the Missouri Constitution.
[10] Article IV, Section 27(a)(6), of the Missouri Constitution.

unless such excess balance is a result of direct appropriations made by the General Assembly for the purpose of increasing the balance of the fund. However, if the balance in the fund at the close of any fiscal year exceeds 10 percent of the net general revenue collections for the previous fiscal year, the excess amount shall be transferred to the GR Fund notwithstanding any specific appropriations made to the fund. "Net general revenue collections" are all revenues deposited into the GR Fund less refunds and revenues originally deposited into the GR Fund, but designated by law for a specific distribution or transfer to another state fund.[11]

The Constitution states that if the total of the ending balance of the BRF in any fiscal year and any amounts owed to the fund pursuant to Article IV, Section 27(a)(6) is less than 7.5 percent of the net general revenue collections for the same year, the difference shall be transferred from the GR Fund to the BRF by July 15th.[12]

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2019.

Our methodology included gathering information regarding how the BRF was established through discussions with various officials from the Office of Administration (OA) and State Treasurer's Office (STO) and reviewing information maintained by those agencies. We reviewed information from the Statewide Advantage for Missouri accounting system. We used this information to analyze the Budget Reserve Fund's historic balances and any trends associated with the data from the accounting system. We selected 18 states to contact based on their ranking in the *Stress Testing States 2018* analysis performed by Moody's Analytics. In addition, we contacted all of Missouri's surrounding states that had not already been selected based on their ranking in the Moody's report for a total of 25 states contacted. We sent questionnaires to the selected states regarding their contingency fund(s). We requested the official identify funding requirements of their contingency fund based on their state statutes, identify borrowing purposes by state (if any), identify the fund cap applied (if any), provide financial data for the contingency fund, and other information. We received a response providing at least some of the information from 20 of the states surveyed. We made additional inquiries to many state officials and sought additional clarification to the survey responses as deemed appropriate. We did not receive responses from Arkansas, Maine, Nebraska, Oklahoma, and Vermont.

We reviewed recent studies on national contingency fund trends from Moody's Analytics, The PEW Institute, and the Volcker Alliance. We

[11] Article IV, Section 27(a)(7), of the Missouri Constitution.
[12] Article IV, Section 27(a)(8), of the Missouri Constitution.

contacted the authors of *Stress-Testing States 2018* analysis performed by Moody's Analytics to discuss the methodology of their analysis regarding the preparedness of each state for the next recession.

We also obtained an understanding of the legal provisions that are significant within the context of the audit objectives. This work included, but was not limited to, a review of Article IV, Section 27(a) of the Missouri Constitution.

Budget Reserve Fund Management Advisory Report State Auditor's Findings

1. Fund Restrictions Leave State Vulnerable to Effects of Recession

The state does not have sufficient contingency funds in the Budget Reserve Fund (BRF) to address budget shortfalls in the event of an economic downturn. The state uses the BRF solely to borrow money annually for cash-flow assistance purposes leaving little to no money available to remedy budget shortfalls or emergencies. The Missouri Constitution restricts the maximum balance of the BRF to a level well below the anticipated reserves necessary to weather the next recession. Restrictions on accessing contingency funds as well as restrictions on fund repayment also make using the BRF for budget stabilization purposes difficult. Maintaining insufficient contingency funds and having significant restrictions on accessing those funds leaves the state unable to appropriately respond to economic recession or emergencies without significant cuts to state spending or services.

1.1 Contingency funding insufficient, and below national average

Missouri's BRF, which acts as the state's "rainy day fund," does not maintain sufficient reserves to insulate the state budget during an economic downturn. In the 2 years following the most recent recession, General Revenue (GR) Fund revenues decreased by approximately 4 percent from fiscal year 2008 to fiscal year 2009 and over 7 percent from fiscal year 2009 to fiscal year 2010. This resulted in a cumulative revenue decline over these fiscal years of more than $1 billion. Based on 2019 revenues, a similar recession would result in a 2 year cumulative reduction in revenues of approximately $1.2 billion. However, the balance of the BRF at the end of fiscal year 2019 was at its constitutional maximum of $651 million. In addition, a significant portion of the BRF balance is being used for cash flow shortages in the GR Fund throughout the year (see page 10 for more detail), so the average monthly balance in the BRF available for budget stabilization in fiscal year 2019 was actually $469 million. The BRF reached its lowest balance of fiscal year 2019 at $144 million in April 2019.

According to data compiled by the National Association of State Budget Officers, [13] Missouri's contingency funds are well below the levels maintained by other states. In terms of "rainy day funds" as a percentage of general revenue expenditures, Missouri reported an average of 3.25 percent for fiscal years 2017 and 2018, while the national median was 5.84 percent over the same timeframe.

According to a 2018 stress test report from Moody's Analytics,[14] Missouri ranks 43rd in the nation in terms of preparedness for a moderate economic downturn based on the balance of Missouri's BRF. According to data

[13] National Association of State Budget Officers, *The Fiscal Survey of States: Fall 2018,* https://www.nasbo.org/mainsite/reports-data/fiscal-survey-of-states/fiscal-survey-archives, accessed June 2019.

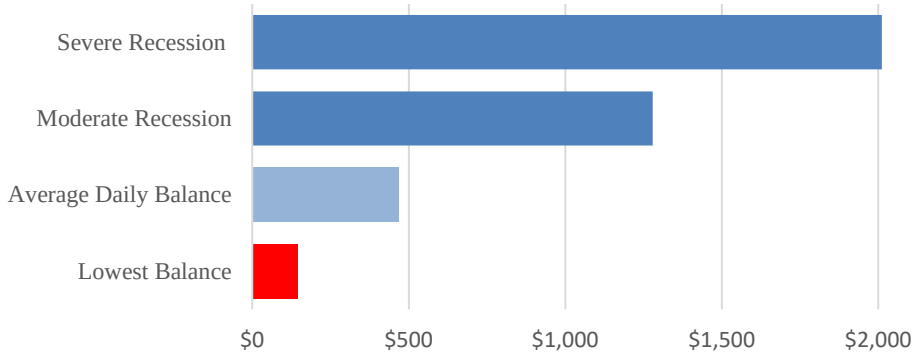
[14] Moody's Analytics, *Stress-Testing States 2018,* https://www.economy.com/home/products/samples/2018-09-15-Stress-Testing-States.pdf, accessed April 2019.

presented in the report, Missouri requires a BRF balance of approximately $1.3 billion to be prepared for a moderate recession or a BRF balance of $2 billion to be prepared for a severe recession.

According to the Moody's report, the Missouri economy is particularly sensitive to economic downturns, resulting in larger revenue reductions and larger Medicaid expenditure increases, compared to other states, in the event of a recession. In terms of combined fiscal shock, the report ranks Missouri as the 8th most sensitive state to a moderate recession. According to the Moody's analysis, this increased sensitivity can be attributed, in part, to the state becoming more reliant on income taxes, and less reliant on sales taxes, for general revenue. Additionally, the lack of Medicaid expansion, while keeping state spending for the program lower, also makes state Medicaid spending more sensitive to economic downturns. According to the Moody's analysis, the fewer individuals covered by the state's Medicaid program under normal conditions means a sharper increase in enrollments during economic downturns.

The Moody's analysis concluded Missouri would have needed contingency funds equivalent to approximately 13.9 percent of its general fund revenues for a moderate recession and 21.9 percent for a larger downturn in 2018. Therefore, Missouri's fiscal year 2018 BRF balance of $616 million (5.7 percent of general fund revenues) is significantly below Moody's suggested balance. Figure 1 below shows the balance in the BRF that Moody's recommended was necessary to avoid raising taxes and/or cutting services during a severe and moderate recession compared to the average daily balance in the BRF by month during fiscal year 2019.

Figure 1: Moody's recommended BRF balances, and 2019 BRF average daily and low balances (in millions)



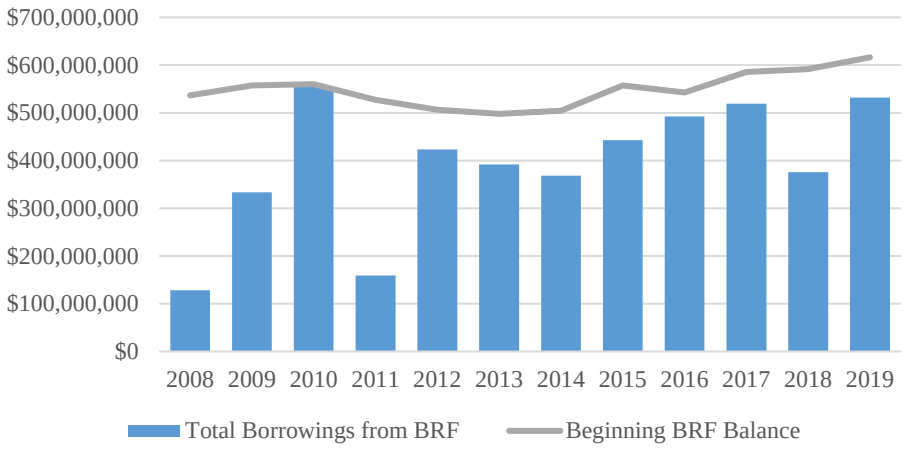
Source: Moody's Analytics: *Stress-Testing States 2018*, discussions with Moody's personnel, Statewide Advantage for Missouri (SAM II) data and Office of Administration General Revenue Fund Cash Flow Analysis Report for fiscal year 2019.

Increased borrowing from the BRF for cash operations results in less balance available for budget stabilization

Borrowing from the BRF for cash operations of the state has steadily increased in recent periods, reducing the amount available for potential budget stabilization should the need arise. The audits of timeliness of income tax refunds[15] documented the state's increased borrowing from the BRF to cover cash flow issues, including the ability to make timely tax refunds, in the GR Fund throughout the fiscal year. In the most recent 5 fiscal years borrowing from the BRF has been consistent, with borrowing in 4 of 5 years exceeding $400 million, and 2 years exceeding $500 million.

Figure 2 shows the total borrowings from the BRF from fiscal year 2008 through fiscal year 2019 in addition to the beginning BRF balance. Pre-recession borrowings (fiscal year 2008) were less than $130 million, whereas more than $360 million has been borrowed every fiscal year since 2011, and more than $500 million was borrowed in fiscal years 2017 and 2019.

Figure 2: Borrowings from the BRF, fiscal year 2008 to 2019 and beginning BRF balance



Source: SAM II data.

The state started fiscal year 2019 with a cash balance of $495 million in the GR fund. Despite this cash balance, the state still borrowed $500 million from the BRF during fiscal year 2019.

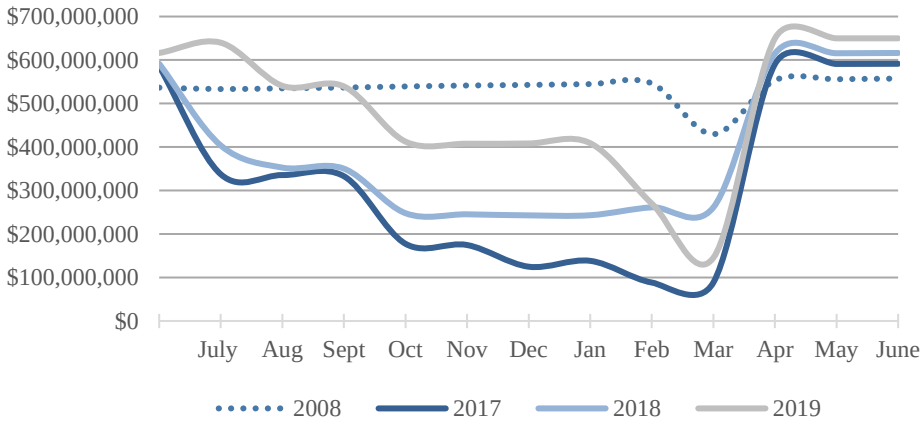
See Appendix A for BRF financial activity, including beginning and ending fund balances for fiscal year 2008 through 2019. Appendix B contains BRF cash operations borrowing, by quarter and in total, for fiscal years 2008 through 2019.

[15] SAO, *Timeliness of Income Tax Refund Issuance*, report number 2018-001, issued January 2018 and SAO, *Timeliness of Income Tax Refund Issuance*, report number 2019-025, issued April 2019.

Dangerously low balances throughout recent years

The balance of the BRF has fallen to dangerously low levels throughout recent fiscal years due to the borrowing for cash operations occurring earlier in the fiscal year. For example, for fiscal year 2008, less than $7,000 was borrowed during the first quarter of the fiscal year. For fiscal years 2017 and 2018, more than $250 million was borrowed during the first quarter of the fiscal year. During fiscal year 2018, the BRF balance was below $300 million for 6 months, from October 2017 to March 2018, and fell below $100 million in March 2017. Figure 3 shows a comparison of the ending fund balance, by month, in the BRF in fiscal year 2008 (pre-recession) and fiscal years 2017, 2018 and 2019.

Figure 3: BRF ending balance by month, fiscal year 2008, 2017, 2018, and 2019



Source: SAM II data.

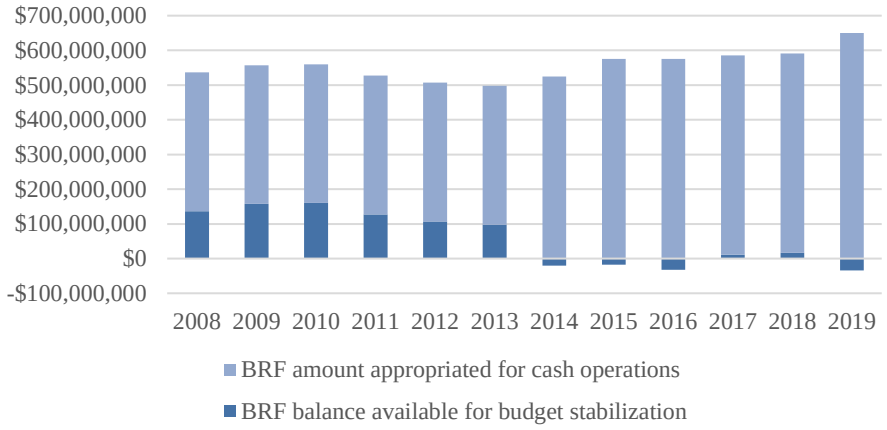
No constitutional limit on how much of the BRF can be used for cash operations

While the Constitution allows "cash operating transfers" to be made from the BRF,[16] there are no constitutional restrictions on how much of the fund can be used for cash-flow assistance needs. The amount appropriated for borrowing from the BRF for this purpose has consistently increased over the past decade.

In the last 6 fiscal years essentially the entire balance of the BRF has been appropriated for cash flow shortages, potentially leaving Missouri with no funds available for budget stabilization purposes if needed. Figure 4 shows the BRF beginning balance over time, the increase in amounts appropriated from the BRF for cash operations, and the unappropriated balance available for budget stabilization purposes. As can be seen in Figure 4, for fiscal years 2014, 2015, 2016, and 2019, the amount of the BRF appropriated for cash operations actually exceeded the balance of the fund, potentially leaving nothing available for budget stabilization or emergency use.

[16] Article IV, Section 27(a)(2) of the Missouri Constitution.

Figure 4: Beginning BRF balance, cash flow appropriations and amount unappropriated and available for budget stabilization, fiscal year 2008 to 2019



Source: General Assembly House Bills and SAM II data.

Inadequate contingency funds leaves the state vulnerable

Inadequate contingency funds can leave the state vulnerable to significant budget cuts in the event of an economic downturn. According to a report by the PEW Charitable Trusts,[17] when the nation enters a recession, states will normally see a drop in revenue as the growth in unemployment results in reductions in individual incomes (particularly capital gains), business profits, and sales. In addition, recessions cause an increase in spending due to the greater demand for both mandatory and discretionary programs and services, such as Medicaid, community colleges and universities, child care subsidies for low-income working parents, and workforce development. A healthy contingency fund allows a state to preserve a balanced budget without having to depend on large spending cuts and/or large tax increases.

In addition, according to the Moody's report, an inadequate contingency fund can lead to troublesome decisions to significantly cut spending or raise revenues just at the time the economy can least afford it.

1.2 BRF restrictions

Constitutional restrictions on the BRF limit the fund's balance, and also limit state's administrators' access to the funds in the event a need for budget stabilization arises.

Balance restrictions

Constitutional provisions limit the balance of the BRF to 7.5 percent of net general revenue collections without legislative approval and to a maximum

[17] The PEW Charitable Trusts, *When to Use State Rainy Day Funds: Withdrawal Policies to Mitigate Volatility and Promote Structurally Balanced Budgets*, <https://www.pewtrusts.org/-/media/assets/2017/04/when-to-use-state-rainy-day-funds.pdf> accessed April 2019.

of 10 percent of net general revenue collections with legislative approval.[18] Based on this restriction, the balance of the BRF at June 30, 2019, was limited to $642 million (7.5 percent of the $8.56 billion net general revenue collections in fiscal year 2019) without legislative approval. The BRF balance as of June 30, 2019 was $651 million, therefore, the excess of approximately $9 million was transferred out of the BRF to the GR Fund on July 12, 2019. Both the beginning BRF balance and the 7.5 percent limit on the BRF balance without legislative approval are well below the preparedness balance suggested by the Moody's Analytics report (approximately $1.3 billion for a moderate recession) discussed in section 1.1. Even with legislative approval, the maximum BRF balance would be $856 million.[19] Therefore, even if the BRF balance was at its constitutional maximum, it would still be more than $400 million short of the estimated balance needed to be considered prepared for a moderate recession.

Access restrictions

The Constitutional requirement that the General Assembly must approve the use of BRF monies for budget stabilization purposes with a 2/3 vote of both houses is restrictive, and effectively makes the BRF unusable for that purpose. To be used for this purpose the Governor must have reduced the expenditures of the state or any state agencies below their appropriations or declared a state of emergency.

Having contingency funds available in the event of budget downturns or emergency is of little value if the restrictions over accessing those funds makes them unavailable. According to the report by The PEW Charitable Trusts, withdrawals from the state's budget stabilization fund should be consistent with the purpose of the fund and they should be linked to economic or revenue fluctuations in a clear and quantifiable manner. This process would provide clear guidance when it is the right time to use the state's reserves. According to the Moody's Analytics report, having clear rules for when reserve funds can be used and for what purpose can help avoid indecision by policymakers when funds are needed, and help avoid the need for more drastic budget decisions when contingency funds exist to help avoid such decisions.

Repayment restrictions

The restrictions in the Constitution that require repayment of moneys borrowed for budget stabilization on a short time frame limit the usefulness of the BRF for that purpose. The Constitution requires that one-third of the amount borrowed from the BRF for budget stabilization purposes during any fiscal year, including interest that would have been earned, shall be repaid by

[18] At the end of any fiscal year any BRF balance exceeding 7.5 percent of the general revenue collections must be transferred to the GR Fund as required by the Missouri Constitution, unless the legislature directly appropriates a higher amount in the BRF (except the balance in the fund at year-end cannot exceed 10 percent of general revenue collections).
[19] Ten percent of the fiscal year 2019 net general revenue collections.

July 15th for each of the next 3 fiscal years, or until the full amount, including interest, has been repaid to the BRF. However, the 2007 recession lasted approximately 18 months, which means the first repayment would have been due before the recessionary period would have ended.

Having to potentially repay a significant portion of the funds borrowed in a short period defeats the purpose of borrowing the funds in the first place. According to the report by The PEW Charitable Trusts, states should have feasible requirements for rebuilding the reserve fund. Requiring withdrawals to be repaid within specific time frames are not optimal because these time frames often do not take the business cycle into account. This weakness can limit policymakers' desire to use the reserve funds even in the case of an emergency.

Conclusion

Missouri has not used the BRF for budget stabilization purposes since the combination of the Budget Stabilization Fund and Cash Operating Reserve Fund in 2000, even though there have been several economic downturns and/or emergencies since 2000, including a severe recession and various natural disasters. Constitutional balance restrictions of the BRF are too low, and do not allow the state to accumulate sufficient contingency funds. In addition, the General Assembly has not taken action to ensure the BRF balance is at its Constitutional maximum. Constitutional provisions regarding when BRF funds can be accessed, and subsequently repaid, are also restrictive, and do not allow the state to easily access these funds for their intended purpose. These restrictions have effectively made the BRF solely a cash flow management tool, with insufficient funds available for budget stabilization purposes.

While the BRF adequately serves the cash flow needs of the state, changes are necessary to ensure the state is appropriately insulated from the next moderate economic downturn or natural disaster. Since any change to the current BRF provisions would require a constitutional change, and would not be able to achieved legislatively, alternative solutions must be considered.

Recommendations

1.1 The General Assembly take action to increase the balance of the BRF to its constitutional maximum to improve the cash reserves available for budget stabilization purposes.

1.2 The General Assembly should explore options to legislatively create a fund specifically for budget stabilization purposes, and include more reasonable criteria for when the funds can be accessed for budget stabilization purposes, and more reasonable restrictions on when funds must be repaid.

Auditee's Response

1.1 *Due to this recommendation being legislative in nature, no management response can be obtained.*

1.2 *Due to this recommendation being legislative in nature, no management response can be obtained.*

Fiscal Year	Beginning Balance	Transfers in and Interest Revenues	Transfers Out	Ending Balance
2008	$ 536,508,275	154,793,075	133,998,523	557,302,827
2009	557,302,827	348,404,374	345,753,553	559,953,648
2010	559,953,648	562,519,452	595,107,393	527,365,708
2011	527,365,708	162,815,308	183,473,063	506,707,952
2012	506,707,952	426,586,880	435,504,428	497,790,404
2013	497,790,404	398,317,704	391,584,280	504,523,828
2014	504,523,828	421,021,817	368,380,826	557,164,818
2015	557,164,818	445,544,641	459,933,946	542,775,513
2016	542,775,513	535,256,569	492,414,491	585,617,592
2017	585,617,592	524,996,551	519,277,291	591,336,851
2018	591,336,851	400,569,323	375,697,680	616,208,494
2019	616,208,494	567,092,855	532,033,046	651,268,303

Source: SAM II data.

Appendix B
Budget Reserve Fund
Budget Reserve Fund Borrowing By Quarter
Fiscal Years 2008 to 2019

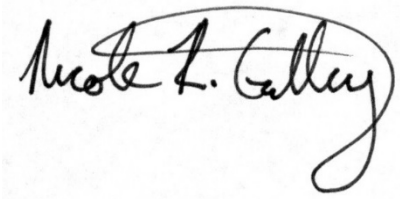
Fiscal Year	Q1	Q2	Q3	Q4	Total
2008	$ 6,218	3,117,891	123,475,591	1,542,121	128,141,821
2009	2,586,810	2,091,126	326,897,126	1,897,126	333,472,188
2010	225,000,000	152,371,307	107,164,007	71,164,007	555,699,321
2011	1,273	5,069,874	152,101,153	2,101,153	159,273,453
2012	86,602,827	83,546,413	251,519,880	1,519,880	423,189,000
2013	204,307,154	8,365,162	177,137,271	1,774,693	391,584,280
2014	153,749,052	11,101,094	201,945,540	1,585,140	368,380,826
2015	206,103,282	111,392,033	124,918,060	0	442,413,375
2016	205,359,281	109,939,269	176,015,476	1,015,476	492,329,502
2017	256,398,470	209,882,315	51,498,253	1,498,253	519,277,291
2018	261,313,259	109,764,167	1,939,382	2,672,490	375,689,298
2019	103,411,735	134,861,921	276,779,695	16,979,695	532,033,046

Source: SAM II data.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Howard County, Missouri

The Office of the State Auditor contracted for an audit of Howard County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.



Nicole R. Galloway, CPA
State Auditor

October 2019
Report No. 2019-102

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Howard County

2018-001	The County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2018-002	The County keep appropriate minutes for closed session meetings.
2018-003	The County prepare the required budgets for each fund.

The County of Howard
Fayette, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2018 & 2017

Stopp&VanHoy
CPAs and Business Advisors

The County of Howard
Fayette, Missouri
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Stopp&VanHoy
CPAs and Business Advisors

10425 Old Olive Street Road, Suite 101
Creve Coeur, MO 63141

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Howard County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Howard County, Missouri, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Howard County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Howard County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Howard County, Missouri as of December 31, 2018 and 2017, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Howard County, Missouri as of December 31, 2018 and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated August 19, 2019 on our consideration of Howard County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Howard County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Howard County, Missouri's internal control over financial reporting and compliance.

Creve Coeur, Missouri
August 19, 2019

The County of Howard
Fayette, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018

Fund	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	$ 1,090,819	$ 1,683,698	$ 1,728,132	$ 1,046,385
Special Road and Bridge	595,362	821,295	783,557	633,100
Assessment	133,983	175,015	165,685	143,313
Prosecuting Attorney Administrative Handling Cost	907	4,358	235	5,030
Prosecuting Attorney Delinquent	100	1	-	101
Law Officers' Training	985	1,312	1,128	1,169
Prosecuting Attorney Training	150	203	79	274
Recorder's User Fee	10,061	3,958	-	14,019
Recorder's Technology	18,991	2,575	-	21,566
Keller Building	861	154,470	129,849	25,482
Keller Building Maintenance	39,501	560	-	40,061
Victims of Domestic Violence	22,679	1,775	1,000	23,454
Civil Defense	2,829	31,162	29,982	4,009
County Law Enforcement Restitution	4,173	7,767	1,515	10,425
Sheriff's Civil Fees	4,887	12,716	13,171	4,432
Sheriff's Benevolent	1,298	1,365	935	1,728
Sheriff's Revolving Fee	5,977	1,906	5,389	2,494
Inmate Security	4,880	23,783	23,958	4,705
Sheriff's Recoupment	590	324	412	502
Prosecuting Attorney Supplemental	8,596	15,473	9,990	14,079
Election Services	5,291	3,649	7,128	1,812
Economic Development	555,725	31,245	12,821	574,149
Tax Maintenance	44,693	15,485	17,479	42,699
Jail Sales Tax	198	161	-	359
Law Enforcement	9,747	651,147	627,165	33,729
Howard County Water Project	-	-	-	-
Mount Gilead	91,413	1,438	860	91,991
Road and Bridge Special Trust	82,118	279,979	223,898	138,199
Bicentennial Year	-	-	-	-
Local Emergency Planning Commission	14,588	-	205	14,383
Howard County Sheltered Services Board	184,706	753,677	651,663	286,720
Total	$ 2,936,108	$ 4,680,497	$ 4,436,236	$ 3,180,369

See Notes to the Financial Statements

The County of Howard
Fayette, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

Fund	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	$ 925,243	$ 1,651,327	$ 1,485,751	$ 1,090,819
Special Road and Bridge	484,744	908,939	798,321	595,362
Assessment	113,841	173,766	153,624	133,983
Prosecuting Attorney Administrative Handling Cost	91	9,208	8,392	907
Prosecuting Attorney Delinquent	98	2	-	100
Law Officers' Training	1,163	1,526	1,704	985
Prosecuting Attorney Training	712	231	793	150
Recorder's User Fee	6,640	3,421	-	10,061
Recorder's Technology	16,750	2,241	-	18,991
Keller Building	36,720	129,941	165,800	861
Keller Building Maintenance	38,419	1,082	-	39,501
Victims of Domestic Violence	20,685	1,994	-	22,679
Civil Defense	2,110	29,474	28,755	2,829
County Law Enforcement Restitution	6,174	2,578	4,579	4,173
Sheriff's Civil Fees	5,379	7,129	7,621	4,887
Sheriff's Benevolent	1,125	1,211	1,038	1,298
Sheriff's Revolving Fee	13,383	2,717	10,123	5,977
Inmate Security	2,847	10,094	8,061	4,880
Sheriff's Recoupment	599	491	500	590
Prosecuting Attorney Supplemental	5,670	15,137	12,211	8,596
Election Services	4,005	3,126	1,840	5,291
Economic Development	540,969	28,868	14,112	555,725
Tax Maintenance	55,292	15,449	26,048	44,693
Jail Sales Tax	2,693	198	2,693	198
Law Enforcement	12,783	645,604	648,640	9,747
Howard County Water Project	-	3,612	3,612	-
Mount Gilead	96,074	1,394	6,055	91,413
Road and Bridge Special Trust	40,716	284,033	242,631	82,118
Bicentennial Year	265	-	265	-
Local Emergency Planning Commission	15,596	-	1,008	14,588
Howard County Sheltered Services Board	220,182	416,687	452,163	184,706
Total	$ 2,670,968	$ 4,351,480	$ 4,086,340	$ 2,936,108

See Notes to the Financial Statements

The County of Howard
Fayette, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	General Revenue Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 365,000	$ 364,013	$ 330,000	$ 361,713
Sales Taxes	762,488	864,398	754,258	787,016
Intergovernmental	120,990	115,661	174,332	169,792
Charges for Services	210,780	254,187	209,050	244,602
Interest	15,000	17,490	15,000	17,212
Other Receipts	52,364	63,549	70,400	70,992
Transfers In	9,350	4,400	7,500	-
Total Receipts	1,535,972	1,683,698	1,560,540	1,651,327
Disbursements				
County Commission	91,360	88,769	89,556	87,159
County Clerk	95,965	95,600	94,254	92,694
Elections	89,675	85,886	44,979	38,930
Buildings and Grounds	70,525	59,766	69,997	53,363
Employee Fringe Benefits	174,750	158,769	169,469	140,297
County Treasurer	41,300	40,505	40,500	39,299
County Collector	82,598	77,961	77,550	74,534
Recorder of Deeds	40,156	33,524	39,517	34,168
Circuit Clerk	24,200	5,380	25,200	4,645
Court Administration	33,170	4,154	32,670	6,325
Public Administrator	71,785	68,768	70,616	70,549
Sheriff	45,000	44,500	5,000	-
Prosecuting Attorney	118,184	114,875	98,631	96,569
Juvenile Office	68,912	62,496	67,639	53,254
County Coroner	33,950	33,773	21,950	21,756
Health and Welfare	234,905	217,271	241,243	229,479
Other Disbursements	385,300	225,771	372,225	185,280
Transfers Out	307,655	306,469	308,093	257,450
Emergency Fund	55,000	3,895	55,000	-
Total Disbursements	2,064,390	1,728,132	1,924,089	1,485,751
Receipts Over (Under) Disbursements	$ (528,418)	$ (44,434)	$ (363,549)	$ 165,576
Cash and Equivalents, Jan 1	1,090,819	1,090,819	925,243	925,243
Cash and Equivalents, Dec 31	$ 562,401	$ 1,046,385	$ 561,694	$ 1,090,819

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The County of Howard
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Budget and Actual, All Governmental Funds: Regulatory Basis
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	Special Road and Bridge Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 277,252	$ 284,022	$ 277,252	$ 284,058
Sales Taxes	-	-	-	-
Intergovernmental	451,800	443,286	435,800	447,186
Charges for Services	16,400	6,150	119,290	92,811
Interest	7,800	9,729	7,800	10,264
Other Receipts	-	4,373	-	24,620
Transfers In	73,735	73,735	72,000	50,000
Total Receipts	826,987	821,295	912,142	908,939
Disbursements				
Salaries	285,600	261,026	285,600	251,542
Employee Fringe Benefits	97,750	80,748	97,347	83,168
Supplies	85,000	78,489	79,289	65,300
Insurance	26,748	26,143	29,292	29,292
Road and Bridge Materials	34,000	29,790	34,000	26,587
Equipment Repairs	74,500	62,800	89,290	43,687
Rentals	1,000	602	1,000	-
Equipment Purchases	121,090	79,985	138,090	138,015
Road and Bridge Construction	160,870	132,040	148,870	129,457
Other Disbursements	34,950	31,934	39,650	31,273
Transfers Out	-	-	-	-
Total Disbursements	921,508	783,557	942,428	798,321
Receipts Over (Under) Disbursements	$ (94,521)	$ 37,738	$ (30,286)	$ 110,618
Cash and Equivalents, Jan 1	595,362	595,362	484,744	484,744
Cash and Equivalents, Dec 31	$ 500,841	$ 633,100	$ 454,458	$ 595,362

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	Assessment Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	159,540	161,058	158,828	159,733
Charges for Services	11,100	6,629	11,100	5,652
Interest	1,500	2,510	1,500	2,364
Other Receipts	4,300	4,818	5,738	6,017
Transfers In	-	-	-	-
Total Receipts	176,440	175,015	177,166	173,766
Disbursements				
Salaries	104,400	97,486	101,800	91,017
Employee Fringe Benefits	33,312	25,925	32,719	22,111
Materials and Supplies	20,600	9,636	20,600	10,324
Services	27,000	16,182	17,000	10,237
Other Disbursements	5,000	234	10,000	8,030
Capital Outlay	28,500	16,222	30,000	11,905
Transfers Out	-	-	-	-
Total Disbursements	218,812	165,685	212,119	153,624
Receipts Over (Under) Disbursements	$ (42,372)	$ 9,330	$ (34,953)	$ 20,142
Cash and Equivalents, Jan 1	133,983	133,983	113,841	113,841
Cash and Equivalents, Dec 31	$ 91,611	$ 143,313	$ 78,888	$ 133,983

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	Prosecuting Attorney Administrative Handling Cost Fund				Prosecuting Attorney Delinquent Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,050	4,271	7,800	5,177	400	-	400	-
Interest	-	46	-	6	-	1	-	2
Other Receipts	50	41	-	25	-	-	-	-
Transfers In	-	-	4,000	4,000	-	-	-	-
Total Receipts	7,100	4,358	11,800	9,208	400	1	400	2
Disbursements								
Salaries	-	-	7,762	7,142	-	-	-	-
Employee Fringe Benefits	-	-	1,128	755	-	-	-	-
Materials and Supplies	4,000	-	400	-	-	-	-	-
Services	2,750	235	1,600	495	400	-	400	-
Other Disbursements	50	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	6,800	235	10,890	8,392	400	-	400	-
Receipts Over (Under) Disbursements	$ 300	$ 4,123	$ 910	$ 816	$ -	$ 1	$ -	$ 2
Cash and Equivalents, Jan 1	907	907	91	91	100	100	98	98
Cash and Equivalents, Dec 31	$ 1,207	$ 5,030	$ 1,001	$ 907	$ 100	$ 101	$ 98	$ 100

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	Law Officers' Training Fund				Prosecuting Attorney Training Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,500	1,296	1,500	1,400	300	200	200	227
Interest	-	16	-	14	-	3	-	4
Other Receipts	-	-	-	112	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	1,500	1,312	1,500	1,526	300	203	200	231
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,485	1,128	2,663	1,704	300	79	912	793
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	2,485	1,128	2,663	1,704	300	79	912	793
Receipts Over (Under) Disbursements	$ (985)	$ 184	$ (1,163)	$ (178)	$ -	$ 124	$ (712)	$ (562)
Cash and Equivalents, Jan 1	985	985	1,163	1,163	150	150	712	712
Cash and Equivalents, Dec 31	$ -	$ 1,169	$ -	$ 985	$ 150	$ 274	$ -	$ 150

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	Recorder's User Fee Fund				Recorder's Technology Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	3,311	3,786	3,418	3,296	1,950	2,288	1,800	1,979
Interest	120	172	65	125	242	287	275	262
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	3,431	3,958	3,483	3,421	2,192	2,575	2,075	2,241
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	7,868	-	5,868	-	7,244	-	4,000	-
Services	5,624	-	3,700	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	13,939	-	12,639	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	13,492	-	9,568	-	21,183	-	16,639	-
Receipts Over (Under) Disbursements	$ (10,061)	$ 3,958	$ (6,085)	$ 3,421	$ (18,991)	$ 2,575	$ (14,564)	$ 2,241
Cash and Equivalents, Jan 1	10,061	10,061	6,640	6,640	18,991	18,991	16,750	16,750
Cash and Equivalents, Dec 31	$ -	$ 14,019	$ 555	$ 10,061	$ -	$ 21,566	$ 2,186	$ 18,991

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	Keller Building Fund				Keller Building Maintenance Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	148,620	153,744	151,841	126,960	-	-	-	-
Interest	-	238	765	390	300	560	300	582
Other Receipts	-	488	-	91	-	-	-	500
Transfers In	-	-	2,500	2,500	-	-	-	-
Total Receipts	148,620	154,470	155,106	129,941	300	560	300	1,082
Disbursements								
Salaries	30,986	21,676	28,435	28,310	-	-	-	-
Employee Fringe Benefits	8,747	4,926	7,995	7,700	-	-	-	-
Materials and Supplies	1,700	975	2,700	1,627	-	-	-	-
Services	82,472	82,335	82,200	77,525	-	-	-	-
Other Disbursements	4,000	-	8,000	1,212	-	-	-	-
Capital Outlay	10,000	9,950	48,000	39,439	38,719	-	38,719	-
Debt Service	10,000	9,987	10,000	9,987	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	147,905	129,849	187,330	165,800	38,719	-	38,719	-
Receipts Over (Under) Disbursements	$ 715	$ 24,621	$ (32,224)	$ (35,859)	$ (38,419)	$ 560	$ (38,419)	$ 1,082
Cash and Equivalents, Jan 1	861	861	36,720	36,720	39,501	39,501	38,419	38,419
Cash and Equivalents, Dec 31	$ 1,576	$ 25,482	$ 4,496	$ 861	$ 1,082	$ 40,061	$ -	$ 39,501

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	Victims of Domestic Violence Fund				Civil Defense Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	15,870	15,112	15,395	15,496
Charges for Services	1,658	1,456	1,350	1,670	-	-	-	-
Interest	237	319	250	324	-	50	10	28
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	17,186	16,000	13,950	13,950
Total Receipts	1,895	1,775	1,600	1,994	33,056	31,162	29,355	29,474
Disbursements								
Salaries	-	-	-	-	15,600	15,456	13,874	13,874
Employee Fringe Benefits	-	-	-	-	1,400	1,341	1,260	1,172
Materials and Supplies	-	-	-	-	4,250	3,177	4,610	3,522
Services	-	-	-	-	11,372	10,008	10,642	10,187
Other Disbursements	24,574	1,000	18,700	-	300	-	300	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	2,000	-	-	-
Total Disbursements	24,574	1,000	18,700	-	34,922	29,982	30,686	28,755
Receipts Over (Under) Disbursements	$ (22,679)	$ 775	$ (17,100)	$ 1,994	$ (1,866)	$ 1,180	$ (1,331)	$ 719
Cash and Equivalents, Jan 1	22,679	22,679	20,685	20,685	2,829	2,829	2,110	2,110
Cash and Equivalents, Dec 31	$ -	$ 23,454	$ 3,585	$ 22,679	$ 963	$ 4,009	$ 779	$ 2,829

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	County Law Enforcement Restitution Fund				Sheriff's Civil Fees Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,000	5,150	5,000	2,475	10,785	12,572	6,500	7,051
Interest	-	117	-	103	-	78	-	78
Other Receipts	2,500	2,500	-	-	-	66	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	6,500	7,767	5,000	2,578	10,785	12,716	6,500	7,129
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	5,000	2,500	7,172	5,186	5,629	4,468
Services	-	-	5,700	2,079	8,500	7,985	6,250	3,153
Other Disbursements	10,673	1,515	474	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	10,673	1,515	11,174	4,579	15,672	13,171	11,879	7,621
Receipts Over (Under) Disbursements	$ (4,173)	$ 6,252	$ (6,174)	$ (2,001)	$ (4,887)	$ (455)	$ (5,379)	$ (492)
Cash and Equivalents, Jan 1	4,173	4,173	6,174	6,174	4,887	4,887	5,379	5,379
Cash and Equivalents, Dec 31	$ -	$ 10,425	$ -	$ 4,173	$ -	$ 4,432	$ -	$ 4,887

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	Sheriff's Benevolent Fund				Sheriff's Revolving Fee Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	2,575	1,846	2,075	2,573
Interest	-	15	-	11	-	60	-	144
Other Receipts	-	1,350	1,200	1,200	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	1,365	1,200	1,211	2,575	1,906	2,075	2,717
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	798	790	2,325	1,038	-	-	-	-
Services	500	145	-	-	8,552	5,389	15,458	10,123
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	1,298	935	2,325	1,038	8,552	5,389	15,458	10,123
Receipts Over (Under) Disbursements	$ (1,298)	$ 430	$ (1,125)	$ 173	$ (5,977)	$ (3,483)	$ (13,383)	$ (7,406)
Cash and Equivalents, Jan 1	1,298	1,298	1,125	1,125	5,977	5,977	13,383	13,383
Cash and Equivalents, Dec 31	$ -	$ 1,728	$ -	$ 1,298	$ -	$ 2,494	$ -	$ 5,977

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	Inmate Security Fund				Sheriff's Recoupment Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	18,250	21,103	7,000	10,033	500	318	500	480
Interest	-	135	-	61	-	6	-	11
Other Receipts	2,545	2,545	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	20,795	23,783	7,000	10,094	500	324	500	491
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	7,750	6,928	3,700	3,282	590	412	599	-
Services	17,925	17,030	6,147	4,779	500	-	500	500
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	25,675	23,958	9,847	8,061	1,090	412	1,099	500
Receipts Over (Under) Disbursements	$ (4,880)	$ (175)	$ (2,847)	$ 2,033	$ (590)	$ (88)	$ (599)	$ (9)
Cash and Equivalents, Jan 1	4,880	4,880	2,847	2,847	590	590	599	599
Cash and Equivalents, Dec 31	$ -	$ 4,705	$ -	$ 4,880	$ -	$ 502	$ -	$ 590

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	Prosecuting Attorney Supplemental Fund				Election Services Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	15,000	15,000	15,000	15,000	1,000	372	1,000	1,133
Charges for Services	-	-	-	-	3,045	3,208	2,250	1,911
Interest	-	173	-	104	-	69	-	82
Other Receipts	-	300	-	33	-	-	-	-
Transfers In	-	-	7,500	-	-	-	-	-
Total Receipts	15,000	15,473	22,500	15,137	4,045	3,649	3,250	3,126
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	5,000	2,328	4,065	1,534	-	-	-	-
Services	5,000	2,000	8,350	6,677	9,045	7,128	7,250	1,840
Other Disbursements	5,000	1,262	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	7,350	4,400	11,500	4,000	-	-	-	-
Total Disbursements	22,350	9,990	23,915	12,211	9,045	7,128	7,250	1,840
Receipts Over (Under) Disbursements	$ (7,350)	$ 5,483	$ (1,415)	$ 2,926	$ (5,000)	$ (3,479)	$ (4,000)	$ 1,286
Cash and Equivalents, Jan 1	8,596	8,596	5,670	5,670	5,291	5,291	4,005	4,005
Cash and Equivalents, Dec 31	$ 1,246	$ 14,079	$ 4,255	$ 8,596	$ 291	$ 1,812	$ 5	$ 5,291

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	Economic Development Fund				Tax Maintenance Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	7,400	7,400	6,841	7,400	13,000	14,849	13,000	14,640
Interest	8,400	8,285	8,400	8,109	900	636	900	809
Other Receipts	11,132	15,560	13,360	13,359	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	26,932	31,245	28,601	28,868	13,900	15,485	13,900	15,449
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	10,000	-	10,000	1,150
Services	-	-	-	-	21,200	10,875	34,000	23,981
Other Disbursements	582,657	12,821	569,570	14,112	-	-	-	-
Capital Outlay	-	-	-	-	10,000	6,604	10,000	917
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	582,657	12,821	569,570	14,112	41,200	17,479	54,000	26,048
Receipts Over (Under) Disbursements	$ (555,725)	$ 18,424	$ (540,969)	$ 14,756	$ (27,300)	$ (1,994)	$ (40,100)	$ (10,599)
Cash and Equivalents, Jan 1	555,725	555,725	540,969	540,969	44,693	44,693	55,292	55,292
Cash and Equivalents, Dec 31	$ -	$ 574,149	$ -	$ 555,725	$ 17,393	$ 42,699	$ 15,192	$ 44,693

See Notes to the Financial Statements

The County of Howard
Fayette, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Jail Sales Tax Fund				Law Enforcement Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	157	-	166	334,948	337,006	320,709	331,293
Intergovernmental	-	-	-	-	69,810	51,474	59,810	48,811
Charges for Services	-	-	-	-	53,000	35,902	53,000	50,380
Interest	-	4	-	32	-	189	-	245
Other Receipts	-	-	-	-	6,251	9,842	22,875	23,875
Transfers In	-	-	-	-	216,734	216,734	212,143	191,000
Total Receipts	$ -	$ 161	$ -	$ 198	$ 680,743	$ 651,147	$ 668,537	$ 645,604
Disbursements								
Salaries	$ -	$ -	$ -	$ -	$ 431,988	$ 387,773	$ 407,536	$ 397,996
Employee Fringe Benefits	-	-	-	-	101,167	86,654	112,355	101,329
Materials and Supplies	198	-	2,693	2,693	80,470	79,413	69,300	61,613
Services	-	-	-	-	69,164	66,478	74,176	72,669
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	6,850	6,847	16,679	15,033
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	$ 198	$ -	$ 2,693	$ 2,693	$ 689,639	$ 627,165	$ 680,046	$ 648,640
Receipts Over (Under) Disbursements	$ (198)	$ 161	$ (2,693)	$ (2,495)	$ (8,896)	$ 23,982	$ (11,509)	$ (3,036)
Cash and Equivalents, Jan 1	198	198	2,693	2,693	9,747	9,747	12,783	12,783
Cash and Equivalents, Dec 31	$ -	$ 359	$ -	$ 198	$ 851	$ 33,729	$ 1,274	$ 9,747

See Notes to the Financial Statements

The County of Howard
Fayette, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Howard County Water Project Fund				Mount Gilead Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	3,612	3,612	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,000	1,438	-	1,391
Other Receipts	-	-	-	-	-	-	-	3
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	3,612	3,612	1,000	1,438	-	1,394
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	7,000	840	7,500	6,055
Other Disbursements	-	-	3,612	3,612	2,000	20	2,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	3,612	3,612	9,000	860	9,500	6,055
Receipts Over (Under) Disbursements	$ -	$ -	$ -	$ -	$ (8,000)	$ 578	$ (9,500)	$ (4,661)
Cash and Equivalents, Jan 1	-	-	-	-	91,413	91,413	96,074	96,074
Cash and Equivalents, Dec 31	$ -	$ -	$ -	$ -	$ 83,413	$ 91,991	$ 86,574	$ 91,413

See Notes to the Financial Statements

The County of Howard
Fayette, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Road and Bridge Special Trust Fund				Bicentennial Year Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	277,805	277,805	283,146	283,146	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	600	2,174	-	887	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	278,405	279,979	283,146	284,033	-	-	-	-
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	85,000	66,280	122,465	84,300	-	-	265	265
Services	-	-	-	-	-	-	-	-
Other Disbursements	55,561	55,561	56,629	56,629	-	-	-	-
Capital Outlay	36,000	-	68,955	40,267	-	-	-	-
Debt Service	102,058	102,057	61,873	61,435	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	278,619	223,898	309,922	242,631	-	-	265	265
Receipts Over (Under) Disbursements	$ (214)	$ 56,081	$ (26,776)	$ 41,402	$ -	$ -	$ (265)	$ (265)
Cash and Equivalents, Jan 1	82,118	82,118	40,716	40,716	-	-	265	265
Cash and Equivalents, Dec 31	$ 81,904	$ 138,199	$ 13,940	$ 82,118	$ -	$ -	$ -	$ -

See Notes to the Financial Statements

The County of Howard
Fayette, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Local Emergency Planning Commission Fund				Howard County Sheltered Services Board Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ 106,168	$ 126,403	$ 116,990	$ 126,583
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	746,496	626,184	327,006	289,276
Interest	-	-	-	-	540	1,085	2,500	446
Other Receipts	-	-	-	-	-	5	1,000	382
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	853,204	753,677	447,496	416,687
Disbursements								
Salaries	-	-	-	-	368,763	329,223	274,998	191,060
Employee Fringe Benefits	-	-	-	-	105,009	87,986	4,511	40,977
Materials and Supplies	-	-	-	-	21,825	17,348	2,100	4,779
Services	-	-	-	-	295,135	199,340	254,298	209,485
Other Disbursements	-	205	-	1,008	45,597	12,066	-	5,862
Capital Outlay	-	-	-	-	6,100	5,700	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	205	-	1,008	842,429	651,663	535,907	452,163
Receipts Over (Under) Disbursements	$ -	$ (205)	$ -	$ (1,008)	$ 10,775	$ 102,014	$ (88,411)	$ (35,476)
Cash and Equivalents, Jan 1	14,588	14,588	15,596	15,596	184,706	184,706	220,182	220,182
Cash and Equivalents, Dec 31	$ 14,588	$ 14,383	$ 15,596	$ 14,588	$ 195,481	$ 286,720	$ 131,771	$ 184,706

See Notes to the Financial Statements

The County of Howard
Fayette, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2018 & 2017

	2018			
	Collector	Recorder	Sheriff	Prosecuting Attorney
Assets				
Cash and Equivalents	$ 6,992,869	$ 4,296	$ 7,000	$ 3,929
Total Assets	6,992,869	4,296	7,000	3,929
Liabilities and Fund Balances				
Total Liabilities	6,992,869	4,296	7,000	3,929
	6,992,869	4,296	7,000	3,929
Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	$ 6,992,869	$ 4,296	$ 7,000	$ 3,929

	Treasurer	Total
Assets		
Cash and Equivalents	$ 41,826	$ 7,049,920
Total Assets	41,826	7,049,920
Liabilities and Fund Balances		
Total Liabilities	41,826	7,049,920
	41,826	7,049,920
Fund Balances	-	-
Total Liabilities and Fund Balances	$ 41,826	$ 7,049,920

	2017			
	Collector	Recorder	Sheriff	Prosecuting Attorney
Assets				
Cash and Equivalents	$ 5,922,832	$ 6,230	$ 5,634	$ 3,225
Total Assets	5,922,832	6,230	5,634	3,225
Liabilities and Fund Balances				
Total Liabilities	5,922,832	6,230	5,634	3,225
	5,922,832	6,230	5,634	3,225
Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	$ 5,922,832	$ 6,230	$ 5,634	$ 3,225

	Treasurer	Total
Assets		
Cash and Equivalents	$ 39,087	$ 5,977,008
Total Assets	39,087	5,977,008
Liabilities and Fund Balances		
Total Liabilities	39,087	5,977,008
	39,087	5,977,008
Fund Balances	-	-
Total Liabilities and Fund Balances	$ 39,087	$ 5,977,008

See Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

Organized in 1816, the county of Howard was named after the governor of the Missouri territory, Benjamin Howard. It is a third-class county, and the county seat is Fayette. Howard County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and *ex-officio* Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Howard County, Missouri and the Howard County Senate Bill 40 Board.

Howard County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Howard County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Howard County's legal entity. The Howard County Senate Bill 40 Board is controlled by a separate board and is also included under the control of Howard County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Howard County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

If Howard County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Howard County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds did not have a budget prepared in 2018 or 2017: Local Emergency Planning Commission Fund.

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes (continued)

The assessed valuation of the tangible taxable property, included within Howard County's boundaries for the calendar year 2018 and 2017, respectively, for the purposes of County taxation was as follows:

	2018	2017
Real Estate	$ 80,719,950	$ 78,927,090
Personal Property	32,369,492	30,213,509
Railroad and Utilities	15,926,643	15,233,231
	$ 129,016,085	$ 124,373,830

The tax levy per $100 assessed valuation of tangible taxable property for the calendar year 2018 and 2017, respectively, for the purpose of County taxation, was as follows:

	2018	2017
General Revenue	$ 0.2706	$ 0.2830
Special Road and Bridge	0.3063	0.3052
Sheltered Services Board	0.1000	0.1000

The County also receives sales tax collected by the State and remitted based on the County’s sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Howard County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Howard County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2018, as follows:

	Carrying Value	Bank Balances
Deposits	$ 10,191,533	$ 8,307,282
Investments	38,756	38,756
Total Deposits and Investments as of December 31, 2018	$ 10,230,289	$ 8,346,038
Total Cash and Equivalents - Governmental Funds	$ 3,180,369	
Total Cash and Equivalents - Agency Funds	7,049,920	
	$ 10,230,289	

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2017, as follows:

	Carrying Value	Bank Balances
Deposits	$ 8,874,487	$ 7,536,439
Investments	38,629	38,629
Total Deposits and Investments as of December 31, 2017	$ 8,913,116	$ 7,575,068
Total Cash and Equivalents - Governmental Funds	$ 2,936,108	
Total Cash and Equivalents - Agency Funds	5,977,008	
	$ 8,913,116	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2018 and 2017, 100% of Howard County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Howard County or its agent but not in the government's name. Howard County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Howard County or of a type that are not exposed to custodial credit risk.

Note 2 - Deposits and Investments (continued)

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Howard County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Howard County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Howard County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2018 Balance	% of Portfolio	2017 Balance	% of Portfolio
Merchant & Farmers Bank	Cert. of Deposit	$ 38,756	100%	$ 38,629	100%

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2018 and 2017 are as follows:

	2018		2017	
Fund	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	$ 4,400	$ 306,469	$ -	$ 257,450
Special Road and Bridge	73,735	-	50,000	-
Prosecuting Attorney Administrative Handling Cost	-	-	4,000	-
Keller Building	-	-	2,500	-
Civil Defense	16,000	-	13,950	-
Prosecuting Attorney Supplemental	-	4,400	-	4,000
Law Enforcement	216,734	-	191,000	-
Total	$ 310,869	$ 310,869	$ 261,450	$ 261,450

Note 4 - Long-Term Debt

Capital Leases

In 2012, the County entered into a capital lease agreement with John Deere financial for $513,962 for three motor graders. The lease had a nominal annual rate of 2.30% and expired on October 31, 2017. Combined principal and interest payments are paid annually in the amount of $32,904 with a balloon payment of $405,000 due at the end of the term. This lease was refinanced in September of 2017 with a nominal annual rate of 3.50%. New combined principal and interest payments are paid annually in the amount of $73,525.

Note 4 - Long-Term Debt (continued)

Capital Leases (continued)

Balance at 12/31/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
$ 430,480	$ -	$ (96,107)	$ 334,373	$ -	$ (62,288)	$ 272,085

Interest expense for the years ended December 31, 2018 and 2017 was $11,237 and $10,322, respectively.

Future minimum payments due on the capital leases are as follows:

Year	Principal	Interest	Total
2019	$ 64,502	$ 9,023	$ 73,525
2020	66,793	6,732	73,525
2021	69,166	4,359	73,525
2023	71,623	1,902	73,525
2022	1	-	1
	$ 272,085	$ 22,016	$ 294,101

Principal payments made on the capital lease are made from the Special Road and Bridge Fund and the Road and Bridge Special Trust Fund.

Notes Payable

In 2012, the County borrowed $75,557 from the Missouri Department of National Resources to finance the design, acquisition, installation, and implementation of energy conservation measures. Principal payments are due semi-annually on February 1 and August 1 with interest payable at 0%. The loan matures on August 1, 2020.

In 2013, the County borrowed $68,815 from Exchange Bank of Missouri for the purchase of a Case tractor. Principal payments are due annually with interest payable at 3.75%. This loan matured on September 1, 2018.

In 2015, the County borrowed $61,710 from Exchange Bank of Missouri for the purchase of a John Deere tractor. Principal payments are due annually with interest payable at 4%. This loan matures on August 17, 2020.

Balance at 12/31/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
$ 114,257	$ -	$ (35,938)	$ 78,319	$ -	$ (36,795)	$ 41,524

Interest expense for the years ended December 31, 2018 and 2017 was $1,741 and $2,598, respectively.

Future minimum payments due on the notes payable are as follows:

Year	Principal	Interest	Total
2019	$ 22,821	$ 1,061	$ 23,882
2020	18,703	543	19,246
	$ 41,524	$ 1,604	$ 43,128

Note 4 - Long-Term Debt (continued)

Notes Payable (continued)

Principal payments made on the notes payable are made from the Keller Building Fund and the Road and Bridge Special Trust Fund.

Note 5 - Local Government Employees Retirement System (LAGERS)

Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, RSMo. Sections 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri, 65102, by calling (800) 447-4334, or by visiting the LAGERS website at www.molagers.org.

Benefits Provided

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police) and early retirement age is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and the amount of credit service time.

Contributions

Full-time employees of the County contribute 4% to the pension plan. The January 1st statutorily required contribution rates were 6.20% (General) and 7.50% (Police) of annual covered payroll for the year ended December 31, 2018, and 5.20% (General) and 8.10% (Police) of annual covered payroll for the year ended December 31, 2017. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2018 and 2017, the County contributed $76,490 and $67,446, respectively.

Note 6 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

Note 6 - County Employees' Retirement Fund (CERF) (continued)

Plan Description (continued)

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. The County collected and remitted CERF employee contributions of $8,954 and $5,505 for the years ended December 31, 2018 and 2017, respectively.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations,
- Twenty dollars on each merchants and manufacturers license issued,
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one on each document recorded,
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of $106,214 and $86,197 for the years ended December 31, 2018 and 2017, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 7 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Howard County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Howard County has contributed $3,366 and $3,366, respectively, for the years ended December 31, 2018 and 2017.

Note 8 - Other Retirement Plan

Howard County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 457 plan were $26,011 and $23,973, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 401(a) plan were $228 and $201, respectively.

Note 9 - Post-Employment Benefits

Howard County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Howard County.

Note 10 - Economic Development Loan Program

The County has an economic development loan program whereby it issues small business loans to businesses located within the County for the purpose of capital assistance. Participants in the program owed the County $38,173 and $53,198 as of December 31, 2018 and 2017, respectively. Due to default of a program participant, the balance of the loans as of December 31, 2018 is due and payable in full, however, the County is unable to estimate when the balance will be collected.

Note 11 - Leases in the Statements of Lessors

The County leases out various office spaces to many outside organizations and receives lease payments every year per a written lease contract agreement. The building also houses the County's public health unit, the Prosecuting Attorney, and the 911 office. During the years ended December 31, 2018 and 2017, the County received total lease rental payments of $153,744 and $126,960, respectively.

Note 12 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Note 12 - Claims, Commitments and Contingencies (continued)

Compensated Absences

Vacation time is accrued for every full-time employee in the county and accrues at different rates up to a maximum of twenty-one days per year. An employee may carry annual vacation leave days over to the following year up to the maximum earned in one year to be taken in the following year. Compensation for unused vacation is at the discretion of the County Commission. The county provides full-time county employees with up to one day of sick leave time per month and may accumulate to an unlimited amount of days. Sick leave is not paid upon termination of employment with the county. Vacation and personal leave amounts are reported as disbursements when they are paid. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 13 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to $500,000 per occurrence and reinsured up to the statutory limit through excess insurance.

Note 14 - Subsequent Events

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 19, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occured that required recognition or additional disclosure in the financial statements.

Stopp&VanHoy
CPAs and Business Advisors

10425 Old Olive Street Road, Suite 101
Creve Coeur, MO 63141

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Howard County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Howard County, Missouri as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Howard County, Missouri's basic financial statements, and have issued our report thereon dated August 19, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Howard County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Howard County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Howard County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency as item 2018-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Howard County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of findings and responses as items 2018-002 and 2018-003.

Howard County, Missouri's Responses to Findings

Howard County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Howard County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Stopp & VanHoy

Creve Coeur, Missouri
August 19, 2019

The County of Howard
Fayette, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2018 & 2017

Financial Statement Findings

2018-001 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County is looking into updating the accounting policies and procedures manual to include a fraud risk assessment.

2018-002 **Condition:** During our audit, it was noted that the County failed to keep appropriate minutes for closed session meetings.

Effect: Due to failure to keep appropriate minutes for closed sessions meetings, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Criteria: RSMo. Section 51.120 requires the clerk of a county commission to keep an accurate record of the orders, rules, and proceedings of the county commission.

Recommendation: We recommend that the County keep appropriate minutes for closed session meetings.

Management's Response: The County is looking into better record-keeping procedures for closed meeting minutes.

Financial Statement Findings (continued)

2018-003 **Condition:** During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds did not have a budget prepared in 2018 or 2017: Local Emergency Planning Commission Fund.

Effect: Due to lack of prepared budget, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Criteria: Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

Recommendation: We recommend that the County prepare the required budgets for each fund.

Management's Response: The County Treasurer was unaware of this account (which was done prior to her coming into office and was under the direction of the prior County Commission) being under the Howard County employer identification number (EIN). It has now been detected, removed from the County's EIN, changed of status at the bank, and included under the EIN of the Local Emergency Planning Commission.

The County of Howard
Fayette, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2018 & 2017

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Howard County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2014 & 2013.

Prior Year Financial Statement Finding

2014-01 **Budgetary Noncompliance on Expenditure Use**

Condition: Expenditures were made in 2014 and 2013 from the General Revenue Fund Emergency Fund classification totaling $3,283 and $45, respectively, which did not meet the statutory requirement of being emergency-type expenditures.

Criteria: Section 50.540.4 RSMo., states that the expenditures shall be made only for unforeseen emergencies and only on unanimous vote of the county commission.

Cause: The County Commission and County Clerk did not understand the statutory provision for use of the Emergency Fund within the General Revenue Fund.

Effect: The County Commission and the County Clerk did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation: The County Commission and County Clerk should only use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.

Management's Response: The Howard County Commission and the County Clerk concur with the recommendation and will use the Emergency Fund expenditure classification within the General Revenue Fund in accordance with the provisions of the state law.

Status: Management has corrected this issue, therefore, this finding will not be repeated.

Prior Year Federal Award Finding

2014-02 **Schedule of Expenditures of Federal Awards**

Federal Grantor:	U.S. Department of Agriculture U.S. Department of Housing and Urban Development U.S. Department of Justice U.S. Department of Transportation General Services Administration Election Assistance Commission U.S. Department of Health and Human Services U.S. Department of Homeland Security
Pass-Through Grantor:	Various
Federal CFDA Number:	Various
Program Title:	Various
Pass-through Entity Identifying Number:	n/a
Award Year:	2014 and 2013
Questioned Costs:	n/a

Prior Year Federal Award Finding (continued)

2014-02 (cont.)

Condition: The County's Schedule of Expenditures of Federal Awards (SEFA) contained some errors and omissions of information required by the federal government. Purchases of state surplus property and federal disaster payments were not reported on the 2014 SEFA, and federal awards for the County's public health unit were not properly reported or some not reported on the SEFA for both 2014 and 2013. Also, federal bridge 20% credit or soft match funds distributed to the county totaling $101,228 for 2014 and $57,199 for 2013 were also excluded by the county. Total amendments to the County's SEFA for 2014 and 2013 were $242,263 and $50,535, respectively.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

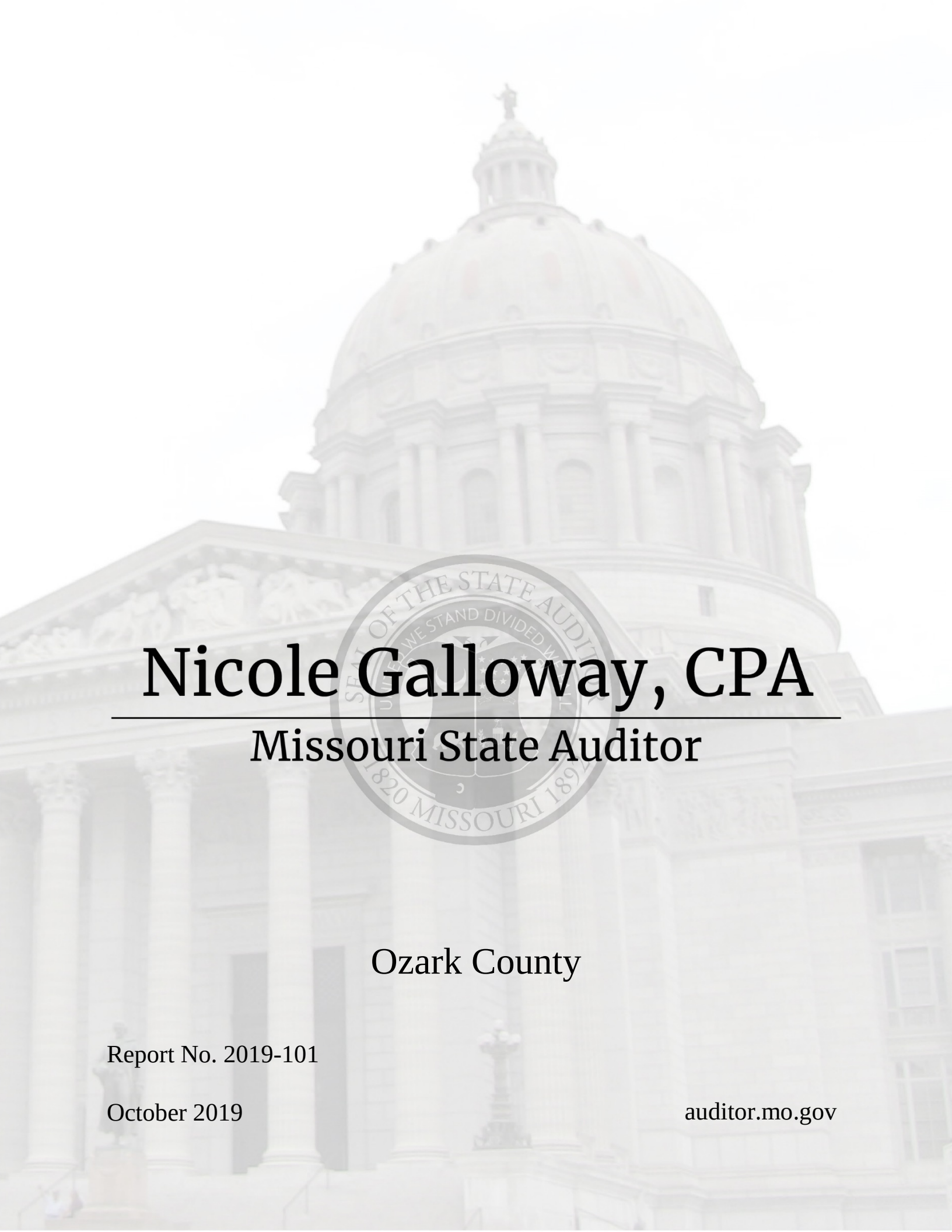
Cause: The County Commission and County Clerk did not take the appropriate steps to ensure the accuracy of the SEFA.

Effect: The SEFA schedules prepared for the County's federal programs were misstated for both years of 2014 and 2013.

Recommendation: Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The county should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly reported on the SEFA.

Management's Response: The Howard County Commission and the County Clerk concurs with the recommendation and is taking steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly reported on the SEFA.

Status: This finding is no longer applicable.



Nicole Galloway, CPA

Missouri State Auditor

Ozark County

Report No. 2019-101

October 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Ozark County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records are performed. The Sheriff has not established adequate controls and procedures over seized property. The Sheriff does not deposit inmates' monies, but rather keeps the cash in separate envelopes for each inmate. The Sheriff's office has not developed inventory procedures to account for phone cards and e-cigarettes sold to inmates. The Sheriff's office does not charge or collect sales taxes on phone cards or e-cigarettes sold to inmates, and no sales taxes are remitted to the Missouri Department of Revenue. Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax.
Ex Officio Recorder of Deeds' Controls and Procedures	The Ex Officio Recorder of Deeds does not prepare timely bank reconciliations and does not maintain an adequate list of liabilities. The Ex Officio Recorder of Deeds has not established proper controls and procedures for receipting and depositing monies, and does not maintain the change fund at a constant amount.
Payroll Controls and Procedures	The County Clerk's office does not ensure timesheet calculations, vacation and sick leave balances, and compensatory time balances are accurate, and does not ensure all timesheets are reviewed and signed by the employee's supervisor. County officials did not always follow established written personnel policies regarding vacation leave and compensatory time, and have not established personnel policies addressing the use of unearned leave and compensatory time used in excess of available balances. Employees are paid in advance of time worked, which may lead to errors and the potential for employees to be over/under paid.
Property Tax Reductions	The county did not properly report property tax levy reductions to the State Auditor's Office in 2016, and the County Clerk used an incorrect tax rate ceiling in his sales tax reduction calculations for 2017.
Electronic Data Security	The County Assessor, County Collector, County Clerk, Prosecuting Attorney, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Assessor, County Collector, County Clerk, Prosecuting Attorney, and Sheriff do not have security controls in place to lock computers after a specified number of incorrect logon attempts and/or after a certain period of inactivity.
County Assessor's Receipting and Transmitting Procedures	The County Assessor has not established proper procedures for receipting and transmitting monies.
County Clerk's Transmitting Procedures	The County Clerk does not always transmit monies timely to the County Treasurer as required by state law.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair.***

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Ozark County
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Organization and Statistical Information 18

NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Ozark County

We have audited certain operations of Ozark County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

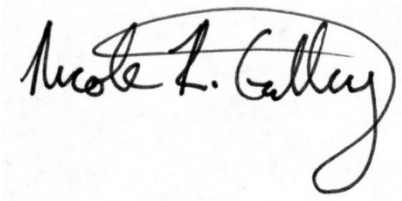
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Ozark County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Mackenzie J. Wooster
Audit Staff:	Amanda G. Flanigan, MAcc
	Ethan D. Evans
	Shelby Reams

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected approximately $78,600 for civil paper service, bonds, concealed carry weapon permits, commissary sales, jail phone commissions, and other miscellaneous receipts during the year ended December 31, 2018.

1.1 Segregation of duties and supervisory review

The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records are performed. The Office Administrator is responsible for receipting most payments, recording receipts, depositing monies, making disbursements, and reconciling the bank accounts. The Sheriff indicated he or the Chief Deputy sign all checks and review the bank statements when they can; however, their reviews are not documented. No other supervisory review of the accounting and bank records are performed.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing payments; making disbursements; and reconciling bank accounts. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

A similar condition was noted in our prior audit report.

1.2 Seized property

The Sheriff has not established adequate controls and procedures over seized property. We identified the following concerns:

- The seized property evidence log is not complete and accurate. We tested 20 seized property items and identified errors for 8 items (40 percent). One test item was not labeled with an identification tag. Three test items were not found in the location stated on the evidence log. Three test items selected from seized property could not be found on the evidence log, and one test item on the evidence log could not be located.

- The Sheriff has not performed a physical inventory of seized property. According to the Evidence Officer, it is unknown when the last physical inventory occurred.

- Access is not adequately restricted for some seized property. Seized property is stored both in a locked room and a fenced evidence cage in the Sheriff's office. Access to the locked room is restricted to only the Evidence Officer; however, all deputies have access to the fenced evidence cage.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or

misuse of the property. Complete and accurate inventory records including information such as description, current location, case number, date of seizure, and disposition of such property should be maintained, and periodic physical inventories performed with the results compared to inventory records to ensure seized property is accounted for properly.

1.3 Inmate monies

The Sheriff does not deposit inmate monies, but rather keeps the cash in separate envelopes for each inmate. A cash count performed on March 13, 2019, identified $498 in cash on hand belonging to 7 inmates. The money an inmate has at the time he/she arrives at the jail is recorded in the Sheriff's jail management system and placed in individual envelopes. Any additional money received on behalf of an inmate is recorded in the system and placed in the inmate's envelope. Inmates can only use their money for phone card or e-cigarette purchases. A receipt slip is issued when purchases occur. Any cash remaining in the envelope is returned to the inmate upon release.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Sheriff should deposit inmate monies in an official bank account and reconcile inmate account records to the reconciled bank account balance monthly.

1.4 Commissary inventory

The Sheriff's office has not developed inventory procedures to account for phone cards and e-cigarettes sold to inmates. A record is maintained to track inmate purchases, but no records are maintained of inventory purchased from vendors and inventory items remaining on hand. Sales to inmates totaled approximately $13,700 for phone cards and $11,800 for e-cigarettes during the year ended December 31, 2018.

Loss, theft, or misuse of the commissary inventory and related monies may go undetected without adequate inventory records and procedures. Detailed inventory records are necessary to adequately account for commissary inventory. Comparison of a periodic physical inventory to inventory records is necessary to ensure commissary items and related monies are properly recorded and handled.

1.5 Sales tax

The Sheriff's office does not charge or collect sales taxes on phone cards or e-cigarettes sold to inmates, and no sales taxes are remitted to the Missouri Department of Revenue (DOR). Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax.

To ensure sales taxes are properly handled, the Sheriff should contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on phone card and e-cigarette sales, and ensure all future sales tax collections are remitted to the DOR.

Recommendations

The Sheriff:

1.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.

1.2 Maintain a complete and accurate seized property evidence log, restrict access to seized property, and ensure a periodic inventory is conducted and reconciled to the seized property evidence log. Any differences should be investigated and resolved.

1.3 Deposit inmate monies in an official bank account. Inmate account records should be reconciled monthly to the reconciled bank account balance.

1.4 Maintain accurate commissary transaction records and reconcile these records to inventory purchased and sold.

1.5 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on phone card and e-cigarette sales, and ensure all future sales tax collections are remitted to the DOR.

Auditee's Response

1.1 Due to minimal office staff, we cannot segregate duties; however, we will ensure supervisory reviews of detailed accounting and bank records are performed and documented at least on a monthly basis.

1.2 We are actively working to improve our seized property evidence log and procedures, including training, restricting access, and disposing of evidence related to closed cases. Once the seized property evidence records are updated, we will consider conducting an annual inventory, including investigating and resolving any differences.

1.3 All inmate monies are now deposited into the Inmate Trust Fund bank account upon receipt and refunded by check upon the inmate's release. A list of inmate monies are reconciled to the bank account balance on a monthly basis.

1.4 & 1.5 We are no longer handling any phone card or e-cigarette inventory. These items are now handled by the commissary vendor.

2. Ex Officio Recorder of Deeds' Controls and Procedures

Controls and procedures in the Ex Officio Recorder of Deeds' office need improvement. The office collected approximately $84,300 for recording documents such as marriage licenses, deeds, and other miscellaneous receipts during the year ended December 31, 2018.

2.1 Bank reconciliations and liabilities

The Ex Officio Recorder of Deeds does not prepare timely bank reconciliations and does not maintain an adequate list of liabilities. The Ex Officio Recorder of Deeds did not complete the monthly bank reconciliations for November 2018 through January 2019 until February 2019. As a result, she did not identify and correct minor errors related to December and January deposits until late February.

In addition, at our request, the Ex Officio Recorder of Deeds updated her list of liabilities that was last updated in March 2018. As of March 2019, the reconciled bank balance was $1,204, while the list of liabilities totaled $1,348, resulting in a shortage of $144.

Performing monthly bank reconciliations timely and preparing monthly lists of liabilities helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular identification and comparison of liabilities to the reconciled bank balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities. Differences should be adequately investigated and resolved.

2.2 Receipting and depositing

The Ex Officio Recorder of Deeds has not established proper controls and procedures for receipting and depositing monies, and does not maintain the change fund at a constant amount. A cash count performed on February 20, 2019, identified the following concerns:

- Office personnel do not issue receipt slips as copy and fax money is received. Instead, this money is added to the change drawer and one receipt slip is issued periodically for it.

- The Ex Officio Recorder of Deeds does not deposit receipts intact and does not maintain the change fund at a constant amount. The Ex Officio Recorder of Deeds established a change fund of $150; however, she does not count the change fund daily to ensure it reconciles to the established amount. During the cash count, the change fund totaled $169. The Ex Officio Recorder of Deeds stated she believed the $19 difference related to copy money collected, but not recorded in the computer system when received. This money would not have been included in a deposit, because deposits are prepared from the system-generated daily collection reports.

In addition, we noted documentation where the change fund had been used for a $9 postage purchase.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected. To reduce this risk, procedures should be established to ensure all monies received are properly receipted and deposited intact. In addition, if a change fund is needed, it should be set at a constant amount and a procedure established to reconcile to this amount every time a deposit is made.

Recommendations

The Ex Officio Recorder of Deeds:

2.1 Ensure monthly bank reconciliations and lists of liabilities are prepared and reconciled timely. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

2.2 Issue receipt slips for money received immediately upon receipt and make deposits intact. In addition, maintain the change fund at a constant amount.

Auditee's Response

2.1 I am now working to prepare bank reconciliations and a list of liabilities monthly, and any differences will be promptly investigated and resolved.

2.2 I will ensure all monies are receipted or logged immediately upon receipt, and all monies will be deposited intact daily. In addition, the change fund is now maintained at a constant amount.

3. Payroll Controls and Procedures

Controls and procedures over payroll need improvement.

All employees are responsible for completing and submitting a manual timesheet to the County Clerk's office on a monthly basis. The County Clerk's office uses the timesheets for hourly employees to enter hours worked, vacation and sick leave, and compensatory time into the computerized payroll system. Only hours worked are entered for salaried employees. The County Clerk's office also maintains a manual spreadsheet to track vacation and sick leave and compensatory time for all county employees.

The employees in the Sheriff's office also complete a daily record for each month. The daily record includes the starting time and ending time for each work day, the total hours worked, any compensatory time earned during the month, and the balance of compensatory time at the end of the month. The Sheriff's Office Administrator also maintains a manual spreadsheet to track vacation, holiday, and sick leave balances.

3.1 Time and leave records

The County Clerk's office does not ensure timesheet calculations, vacation and sick leave balances, and compensatory time balances are accurate, and does not ensure all timesheets are reviewed and signed by the employee's supervisor. During our review of payroll records for 3 consecutive pay periods for 5 county employees (15 total timesheets) and while scanning the leave and compensatory time records for all county employees, we identified the following concerns:

- Total hours worked for one employee were overstated by 6 hours, resulting in the employee being overpaid. For one week, the employee's reported hours worked totaled only 34 hours for the week; however, the County Clerk's office calculated 40 hours worked for the week in error.

- One employee's timesheet included 4.5 hours of overtime in the calculation of total hours worked and in the calculation of compensatory time earned. As a result, this employee was overpaid for 4.5 hours.

- One employee's leave usage for 2 months was not properly recorded in the leave records, resulting in his leave balances being overstated. His August 2018 timesheet indicated 20 hours of sick leave had been used. However, these sick leave hours were not recorded in the payroll system or the County Clerk's spreadsheet and were instead paid as regular hours worked. We noted similar issues with the October 2018 timesheet for this employee. Twenty hours of vacation leave were recorded on his timesheet as being used during the month. However, these leave hours were not recorded in the payroll system or the County Clerk's spreadsheet, and were instead paid as regular hours worked.

- Leave and compensatory time records maintained by the County Clerk are not reconciled to records maintained by the Sheriff's office. For example, on the October 2018 daily record completed for the Sheriff's office, one employee recorded using 8 hours of vacation leave and 8 hours of compensatory time during the month. However, the leave and compensatory time were not reported on the timesheet submitted to the County Clerk's office. As a result, the leave and compensatory time did not agree between the records of the Sheriff's office and the County Clerk's office. In addition, for this employee the October 2018 balance of vacation leave, sick leave, and compensatory time totaled 108 hours, 128 hours, and 91 hours, respectively, according to the Sheriff's office records. However, the balances totaled 80 hours, 158 hours, and negative 73.75 hours, respectively, according to the County Clerk's office records.

- Three timesheets were not reviewed and signed by the employee's supervisor.

Accurate time and leave records are necessary to ensure employees receive proper compensation and leave benefits, provide support for payroll

transactions, and ensure all employees are treated equitably. In addition, reconciliations of leave and compensatory time records between the Sheriff's office and the County Clerk's office help verify that records are accurate and consistent with timesheets. Also, to ensure the accuracy of time worked and leave taken, timesheets should be reviewed and signed by the employee's supervisor.

3.2 Personnel policies

County officials did not always follow established written personnel policies regarding vacation leave and compensatory time, and have not established personnel policies addressing the use of unearned leave and compensatory time used in excess of available balances.

Vacation leave

Vacation leave was not accrued in accordance with county policy for 2 employees during 2018. According to the county's policy, vacation leave will accrue for full-time employees at the rate of 4 hours per month for the first 3 years of employment and then at a rate of 8 hours per month thereafter. We noted one employee's vacation leave accrual did not increase from 4 to 8 hours per month when the employee reached 3 years of employment in February 2018. For another employee, the vacation leave accrual did not increase from 4 to 8 hours per month until 4 months after the employee reached 3 years of employment.

In addition, the county's policy states an employee begins earning vacation leave at the start of employment, but is not eligible to use any vacation leave until after 6 months of employment. However, we noted 3 employees used vacation leave before completing their first 6 months of employment.

Excess compensatory time

Compensatory time balances are not handled in accordance with county policy or Fair Labor Standards Act (FLSA) requirements. We noted the compensatory time balance for one employee exceeded the 240 hour maximum allowed by county policy from May through October 2018. The compensatory balance was 282 hours for August through October. We noted another employee reached the 240 hour limit, but his compensatory time balance was capped at 240 hours as indicated in the policy. However, this employee continued to earn additional compensatory time after reaching the maximum, but the additional hours were not added to his compensatory time balance and he was not paid for the additional hours as required by the FLSA.

Sheriff's compensatory time calculation

The Sheriff's office does not calculate compensatory time in accordance with the county's policy and FLSA requirements. The Sheriff's office accrues compensatory time as straight time when employees work more than 40 hours in a week; however, the county's policy requires compensatory time to be awarded at a rate of time and one-half for hours exceeding 171 hours in a 28-day period. We noted one deputy earned 6 hours of compensatory time in July 2018 because he worked 46 hours in a week. However, if the county's policy

and FLSA requirements were followed, compensatory time would not have been earned.

Negative balances

The county's policy does not address the use of unearned leave, and some county employees used vacation or sick leave or compensatory time in excess of their available balances, resulting in negative leave balances. According to the spreadsheet maintained by the County Clerk's office, 3 employees had negative vacation or sick leave balances and 2 employees had negative compensatory time balances during 2018. One of these employees had a negative leave balance for 11 months.

Conclusion

Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated in accordance with FLSA requirements. In addition, employees should be paid for any additional hours of compensatory time worked when balances exceed the 240 hour maximum. Also, the county's policy should be updated to not allow employees to carry negative leave balances.

3.3 Advanced payments

Employees are paid in advance of time worked, which may lead to errors and the potential for employees to be over/under paid. The County Clerk's office distributes payroll for all employees on the last working day of each month for the period ending the last day of the month. Timesheets are prepared and submitted approximately one week in advance of the payroll distributions with estimates of hours to be worked for the last week of the month. The monthly timesheet includes instructions for employees to record their actual hours worked for the last week of the month on the subsequent month's timesheet.

The County Clerk's office does not always adjust the payroll records when differences occur between the actual hours worked and the previously recorded estimated hours worked. In addition, not all county employees are reporting actual hours worked for the last week of the previous month when those hours were estimated; therefore, actual hours worked cannot be compared to estimated hours for these employees.

To ensure payroll disbursements are appropriate and to reduce the risk of errors and the potential for employees to be over/under paid, the County Commission should require adequate documentation to support all payroll transactions. In addition, Article VI, Sections 23 and 25 of the Missouri Constitution, prohibits the granting of public monies or property to any private person, association, or corporation.

Similar conditions previously reported

Similar conditions to sections 3.1 and 3.2 were noted in our prior 3 audit reports. In addition, a similar condition to section 3.3 was noted in our prior audit report.

Recommendations

3.1 The County Clerk ensure timesheets are accurately prepared, properly signed and approved, and employee leave and compensatory time balances are properly recorded and calculated. In addition, for Sheriff's office employees, the Sheriff should ensure the activity reported on the timesheets submitted to the County Clerk's office agrees to the daily record and leave and compensatory time balances are reconciled to balances maintained by the County Clerk's office.

3.2 The County Commission and County Clerk ensure compliance with personnel policies and FLSA requirements, review and update the personnel policies, as necessary, ensure employees are paid for any additional hours of compensatory time worked when balances exceed the 240 hour maximum, and discontinue allowing employees to carry negative leave balances.

3.3 The County Commission should discontinue compensating employees in advance of receiving services, or establish adequate procedures to compare actual time worked to time previously reported for all employees and ensure adjustments to the payroll records are made when necessary.

Auditee's Response

The County Clerk provided the following responses:

3.1 &
3.2 *We ensure timesheet calculations are correct and accurate to the best of our knowledge. We do, however, agree that errors can be made and pride ourselves with fixing those errors in a timely manner, or as soon as they come to our attention.*

In addition, leave and compensatory time kept between the County Clerk's office and the Sheriff's office is already in the process of being fixed. We recognized when the ability to start working with the Sheriff's office was presented, that we actively pursue that ability. The new Sheriff's Office Administrator and the County Clerk's office are actively working together to find the most efficient and best way to fix this issue. We will adopt recommendations 3.1 and 3.2.

3.3 *This issue is an ongoing issue within the payroll process. After the advisement of the previous state audit, we adopted and changed the design of our timesheets to capture the previous months' advance payment period, and these timesheets are signed by both the employee and the supervisor. This gives us the ability to see the difference, if any, from the previous advance payment period and make corrections as they should be made. We agree that the changes made after the previous audit were the best changes that could be made for all parties involved.*

The Sheriff provided the following response:

3.1 We are working with the County Clerk's office to improve timesheet, leave, and compensatory time records. We will ensure centralized leave records are maintained or leave and compensatory time balances are reconciled.

The County Commission provided the following responses:

3.2 &
3.3 We will take into advisement all of the findings in the 2019 audit and will work diligently to address and fix these findings.

4. Property Tax Reductions

The county did not properly report property tax levy reductions to the State Auditor's Office (SAO) in 2016, and the County Clerk used an incorrect tax rate ceiling in his sales tax reduction calculations for 2017.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Ozark County voters enacted a one-half cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. The county is required to estimate the annual property tax levy to meet the 50 percent reduction requirement and provides for an adjustment for actual sales tax collections of the preceding year that are more or less than the estimate for the preceding year.

The county is required to certify to the SAO the annual property tax levy including the amount the levy is reduced for sales tax collections, as well as any voluntary reductions. In 2016, the county incorrectly reported the sales tax reduction as a voluntary reduction instead of as a sales tax reduction. The SAO followed Section 137.073.5(4), RSMo, which provides a voluntary reduction taken in a non-assessment year (even year) results in a reduced tax rate ceiling during the subsequent reassessment year (odd year), causing a significantly lowered tax rate ceiling for the county in 2017.

When preparing the sales tax reduction calculations, the County Clerk incorrectly used the tax rate ceiling prior to the ceiling being decreased due to the voluntary reduction. Because the County Clerk used the incorrect tax rate ceiling, he estimated the county was reducing the property tax levy for a sales tax reduction as required. However, the tax rate certification letter issued by the SAO indicated no sales tax reduction was taken for 2017. Had the County Clerk used the correct tax rate ceiling, the estimated 2017 sales tax reduction would have differed. This would also have resulted in changes to his 2018 calculations.

The County Clerk noted the tax rate ceiling had been reduced when calculating the tax rate to be levied for 2017, and contacted the SAO for an

explanation. The SAO provided information regarding the impact of taking a voluntary reduction in a non-assessment year and provided instructions on how the county could reinstate the tax rate ceiling in the next non-assessment year (2018). However, no steps were taken by the County Clerk in 2018 to reinstate the tax rate ceiling. Section 137.073.5(4), RSMo, allows the county to reinstate its tax rate ceiling.

In addition, Section 137.073.6(3), RSMo, allows the county to submit amended tax rate forms to the SAO if clerical errors occurred. In August 2019, the County Clerk contacted the SAO to begin the process to correct the county's tax rate ceiling.

To ensure property tax levies are properly set and property tax rate ceilings are maintained, the County Commission and County Clerk should ensure property tax levy reductions are accurately calculated, reported and certified.

Recommendation

The County Commission and County Clerk properly calculate and report property tax rate reductions (sales tax or voluntary). During the tax rate setting process, the County Commission and County Clerk should ensure tax rate information reported back to the county in the State Auditor's Office certification letter is consistent with expectations and, if not, promptly follow up on any discrepancies.

Auditee's Response

The County Clerk provided the following response:

We will ensure that tax rate information reported back to the county is consistent with expectations.

The County Commission provided the following response:

We will take into advisement all of the findings in the 2019 audit and will work diligently to address and fix these findings.

5. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

5.1 Passwords

The County Assessor, County Collector, County Clerk, Prosecuting Attorney, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically and/or use passwords with a minimum number of characters.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords in certain offices are not required to be periodically changed

or contain a minimum number of characters, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, changed periodically, and contain a minimum number of characters to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

5.2 Security controls

The County Assessor, County Collector, County Clerk, Prosecuting Attorney, and Sheriff do not have security controls in place to lock computers after a specified number of incorrect logon attempts and/or after a certain period of inactivity. Also, the Sheriff has not disabled the user account of an employee who has not worked in the office since November 2018.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls and effective procedures to remove user access, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Similar conditions previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The County Commission work with other county officials to:

5.1 Require each employee to have a confidential password with a minimum number of characters that is periodically changed.

5.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts or after a certain period of inactivity. In addition, ensure user accounts of former employees are promptly disabled.

Auditee's Response

The County Commission provided the following response:

We will take into advisement all of the findings in the 2019 audit and will work diligently to address and fix these findings.

The County Clerk provided the following response:

After taking the advisement of the previous state audit, the County Clerk's office required all computers and respective programs within those computers to be password protected. In addition, these computers will lock

after 10 minutes and require a password to unlock after that time period. We will now take into advisement, and adopt, requiring passwords to be changed every 90 days and have a minimum number of characters, symbols, and capital letters. However, not all programs used by the county have the ability to require some of these changes.

6. County Assessor's Receipting and Transmitting Procedures

The County Assessor has not established proper procedures for receipting and transmitting monies. The office collected approximately $8,700 for copies of maps during the year ended December 31, 2018.

- Monies received are not always transmitted timely to the County Treasurer as required by state law. For example, receipts collected from April 12, 2018, through August 13, 2018, totaling $4,596, were not transmitted until August 13, 2018.

- Checks are not restrictively endorsed immediately upon receipt. The endorsement is applied when preparing the transmittal to the County Treasurer.

Failure to implement adequate receipting and transmitting procedures increases the risk that loss, theft, or misuse of monies received will go undetected. In addition, Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

Recommendation

The County Assessor ensure all monies are transmitted timely and restrictively endorse checks immediately upon receipt.

Auditee's Response

There will be a transmittal made by the 30th of each month going forward. We have an endorsement stamp for checks received, and will endorse checks upon receipt.

7. County Clerk's Transmitting Procedures

Monies received are not always transmitted timely to the County Treasurer as required by state law. For example, receipts collected from June 14, 2018, through August 27, 2018, totaling $6,912, were not transmitted until August 30, 2018. The County Clerk's office collected approximately $12,600 for maps, all-terrain vehicle permits, liquor licenses, and notary fees during the year ended December 31, 2018.

Failure to implement adequate procedures to transmit monies timely increases the risk that loss, theft, or misuse of monies received will go undetected. In addition, Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

Recommendation

The County Clerk ensure all monies are transmitted timely.

Auditee's Response

We will be more timely in transmitting money to the County Treasurer, especially during our "high traffic" time of June-July when the vast majority of our revenue is received.

Ozark County
Organization and Statistical Information

Ozark County is a county-organized, third-class county. The county seat is Gainesville.

Ozark County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 51 full-time employees and 12 part-time employees on December 31, 2018.

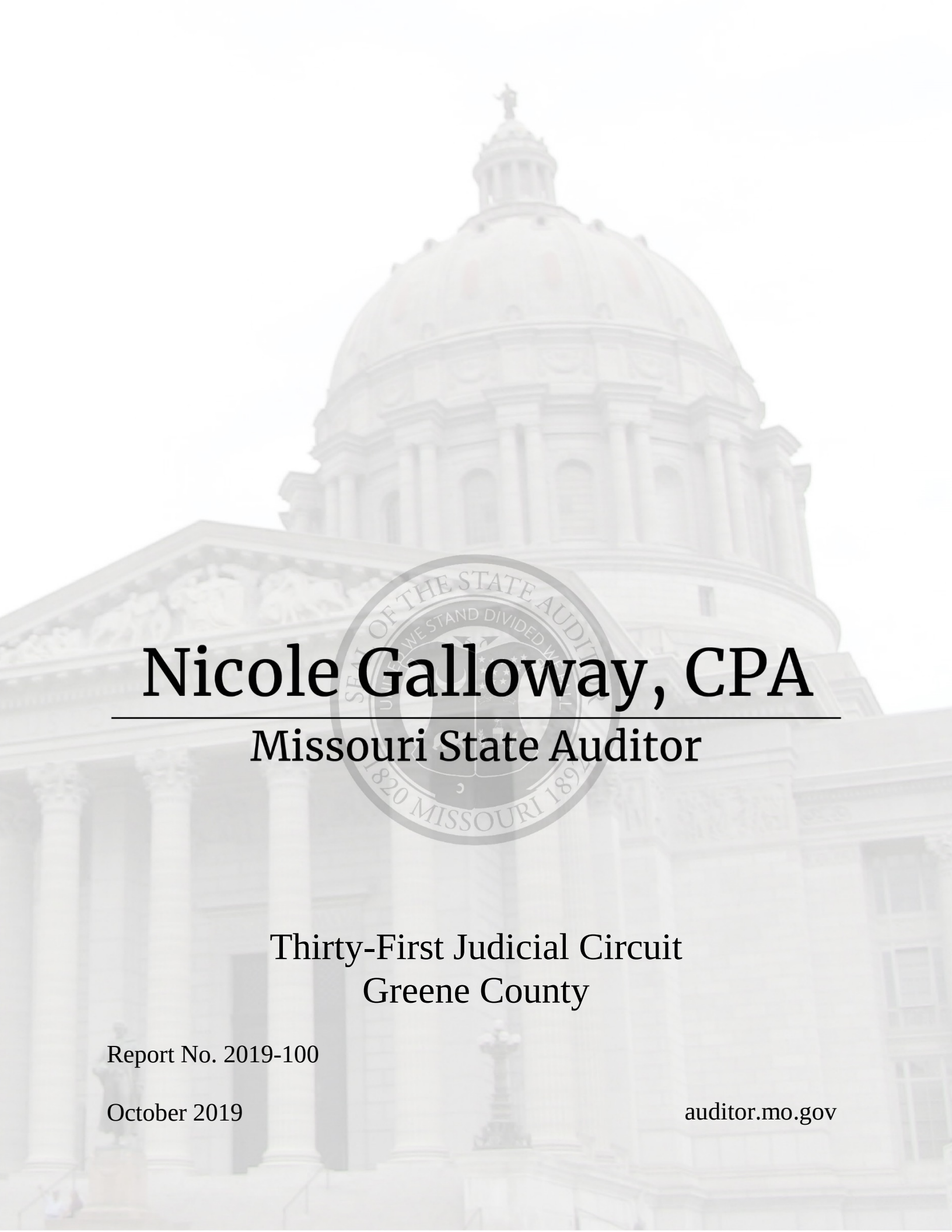
In addition, county operations include a Recycling Center.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2019	2018
Johnnie M. Turner, Presiding Commissioner	$	27,080
Greg Donley, Associate Commissioner		25,080
Gary Collins, Associate Commissioner		25,080
Becki Strong, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Brian Wise, County Clerk		38,000
John Garrabrant, Prosecuting Attorney		138,719
Darrin Reed, Sheriff		42,000
Phyllis Gaulding Turner, County Treasurer		38,000
Shane Ledbetter, County Coroner		11,000
Melinda Abraham, Public Administrator		38,000
Billy D. Hambelton II, County Collector, year ended February 28,	38,000	
Jama M. Berry, County Assessor, year ended August 31,		38,000
Matt Wade, County Surveyor (2)		

(1) Compensation is paid by the state.
(2) Compensation on a fee basis.



Nicole Galloway, CPA

Missouri State Auditor

Thirty-First Judicial Circuit
Greene County

Report No. 2019-100

October 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Thirty-First Judicial Circuit, Greene County

Time-Payment Fee	The court does not assess the time-payment fee on juvenile cases as required by local court and Missouri Supreme Court rules.
Circuit Court Funds	The court does not prepare budgets for the three funds administered by the Court en Banc, and two of the funds have accumulated excessive fund balances without any formal plans for their use. At December 31, 2018, the Time Payment Fund's cash balance was $186,136 and the 31st Judicial Special Fund's cash balance was $982,197.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Thirty-First Judicial Circuit
Greene County
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Thirty-First Judicial Circuit
Greene County, Missouri

We have audited certain operations of the Thirty-First Judicial Circuit, Greene County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the court's internal controls over significant financial functions.

2. Evaluate the court's compliance with certain legal provisions.

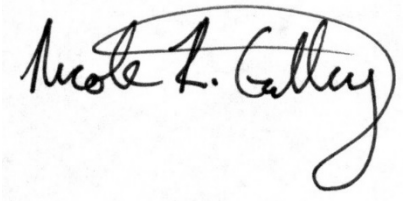
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Greene County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Thirty-First Judicial Circuit, Greene County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	Joy Stevens, CFE, CGAP
Audit Staff:	Jacqueline E. Brown, MBA
	Samantha A. Bull

1. Time-Payment Fee

The court does not assess the time-payment fee on juvenile cases as required by local court and Missouri Supreme Court rules. The court did not assess the time-payment fee for approximately 2,800 juvenile cases outstanding as of December 31, 2018.

Local Court Rule 100.3.3 requires the Circuit Clerk to assess a fee on each person who pays a court-ordered judgment, penalty, fine, sanction, or court costs on a time-payment basis, including restitution and juvenile monetary assessments. In addition, Missouri Supreme Court Operating Rule (COR) 21.13 requires all divisions of the circuit courts, except municipal divisions, to assess a $25 time-payment fee on all cases not paid in full within 30 days of disposition. Failure to follow these rules results in lost revenue.

Recommendation

The Circuit Clerk ensure time-payment fees are assessed in accordance with court operating rules.

Auditee's Response

The Circuit Court's written response, provided by the Circuit Clerk and the Presiding Judge, is included at the appendix.

2. Circuit Court Funds

The court does not prepare budgets for the three funds administered by the Court en Banc, and two of the funds have accumulated excessive fund balances without any formal plans for their use.

The Court en Banc administers three funds, each with a specific purpose(s): the Time Payment Fund, the Family Services and Justice Fund, and the 31st Judicial Special Fund. These funds are maintained in three separate bank accounts and the Presiding Judge's office is responsible for making disbursements from the funds. At December 31, 2018, these funds had an aggregate balance of approximately $1.3 million and approximately $150,000 was disbursed from these funds in 2018.

2.1 Budgets

Budgets are not prepared for the Time Payment Fund, the Family Services and Justice Fund, and the 31st Judicial Special Fund.

Preparing a budget for public funds aids in the fiscal management of the monies; provides a means to effectively monitor actual costs, revenues, and cash balances; and helps inform both the county and the public of the court's financial picture.

2.2 Accumulated fund balances

The Time Payment Fund and the 31st Judicial Special Fund have accumulated excessive fund balances without any formal plans for their use. The fees assessed provide significantly more revenue than is necessary to maintain the current expenditures from these funds.

The Time Payment Fund's cash balance was $186,136 at December 31, 2018, while 2018 total disbursements totaled $1,075. As previously noted, Local

Court Rule 100.3.3 and COR 21.13 require the Circuit Clerk to assess the time-payment fee on certain cases.[1] Section 488.5025.2, RSMo, requires the fee be distributed as follows: $8 to the statewide court automation fund, $7 to the director of revenue, and $10 to the Time Payment Fund to be spent under the direction and order of the Court en Banc to improve, maintain, and enhance the ability to collect and manage moneys assessed or received by the court; to improve case processing, enhance court security, preservation of the record; or to improve the administration of justice.

The 31st Judicial Special Fund's cash balance was $982,197 at December 31, 2018, while 2018 total disbursements totaled $79,826. Receipts deposited in this fund have increased each year since 2015 and totaled approximately $226,000 in 2018. The court assesses a surcharge of $20 for each civil case filing, the amount allowed by Section 488.426.2, RSMo. Section 488.429, RSMo, authorizes the Court en Banc to spend these funds for the maintenance and upkeep of the law library, court room renovations, technology improvements, the circuit's family services and justice fund, or debt service on county bonds for courtroom renovations or enhancement projects.

As previously noted, these funds are not budgeted and no other formal plan exists for their use. The Presiding Judge indicated the Court en Banc plans to use some of the 31st Judicial Special Fund balance to remodel ten courtrooms costing approximately $45,000 per courtroom, a total of $450,000 in estimated costs. He also indicated the court plans to use the funds to pay guardian ad litem fees and Family Treatment Court expenses. However, no other plans were provided for the remaining fund balance.

Accumulated excessive cash balances with no formal plan for use of the monies puts an unnecessary burden on taxpayers. The court should determine future needs and develop a formal plan for the use of the Time Payment Fund and the 31st Judicial Special Fund. In addition, the court should consider reducing or suspending the surcharge on civil cases if the fees are not needed for the court's operation.

Recommendations

The Court en Banc:

2.1 Prepare annual budgets for the Time Payment Fund, the Family Services and Justice Fund, and the 31st Judicial Special Fund; and provide copies of these budgets to the county budget officer.

2.2 Develop a formal plan, based on the court's future needs, to use the monies available in the Time Payment Fund and the 31st Judicial

[1] As noted at finding number 1, the court is not collecting the required time-payment fee on juvenile cases.

Special Fund and/or consider reducing or suspending the surcharge on civil cases.

Auditee's Response

The Circuit Court's written response, provided by the Circuit Clerk and the Presiding Judge, is included at the appendix.

Auditor's Comment

The Circuit Court's response states the court provided to auditors a rather extensive outline of the planned use of the funds and the finding concluded the court has no planned use for the funds. However, the finding does acknowledge various plans communicated to audit staff which need to be formally documented. To ensure transparency and accountability over these funds, all plans for the funds should be documented in a formal written plan.

Thirty-First Judicial Circuit
Greene County
Organization and Statistical Information

The Thirty-First Judicial Circuit consists only of Greene County.

Personnel

At December 31, 2018, the judges, Circuit Clerk, Court Administrator, and Juvenile Officer/Family Court Administrator of the Thirty-First Judicial Circuit, Greene County, were as follows:

Title	Name
Presiding Circuit Judge	Michael J. Cordonnier
Circuit Judge, Division II	David Jones
Circuit Judge, Division III	Jason Brown
Circuit Judge, Division IV	Thomas Mountjoy
Circuit Judge, Division V	Calvin Holden
Associate Circuit Judge, Division 21	Jerry A. Harmison Jr.
Associate Circuit Judge, Division 22	Margaret Holden Palmietto
Associate Circuit Judge, Division 23	Andy Hosmer
Associate Circuit Judge, Division 24	Mark Powell
Associate Circuit Judge, Division 25	Becky J.W. Borthwick
Associate Circuit Judge, Division 26	J. Ronald Carrier
Circuit Clerk	Thomas R. Barr
Court Administrator	Kylie Young
Chief Juvenile Officer/Family Court Administrator	Bill Prince

In addition, the Thirty-First Judicial Circuit, Greene County, employed 206 full-time employees and 14 part-time employees on December 31, 2018.

Financial Information

Receipts of the Thirty-First Judicial Circuit, Greene County, were as follows:

	Year Ended December 31, 2018
Circuit Court deposits, fees, bonds, and other	$8,980,964
Juvenile Court deposits, fees, and other	459,783
Total	$9,440,747

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Thirty-First Judicial Circuit, Greene County, were as follows:

	Year Ended June 30, 2018
Civil	15,846
Criminal	15,677
Juvenile	882
Probate	1,931
Total	34,336

MICHAEL J. CORDONNIER
Presiding Judge

THOMAS R. BARR
Circuit Clerk

STATE OF MISSOURI
CIRCUIT COURT, 31ST JUDICIAL CIRCUIT
GREENE COUNTY JUDICIAL FACILITY
1010 Boonville Ave
Springfield, Missouri 65802
Phone (417) 868-4127
Fax (417) 829-6366

KYLIE YOUNG
Court Administrator

JENNIFER FLEEMAN
Secretary to Presiding Judge

Nicole Galloway, CPA
Missouri State Auditor

September 16, 2019

Re: Auditees response
Thirty-first Judicial Circuit
Management Advisory Report – State Auditor's Findings

Dear Auditor Galloway,

You have provided us a draft of your Management Advisory Report. Your report follows your audit review process that began April 9, 2019 and included many weeks of onsite review, offsite review following, and inspection of countless documents. We appreciate the thoroughness of your effort, and the professionalism of your audit staff.

Following our careful review your report, we are very proud of the manner in which the financial, operational and legal business is conducted in the Thirty-first Judicial Circuit. While it is no surprise to us, it is certainly gratifying to confirm that based on the thousands of financial transactions and over $9 million managed, there were no significant shortcomings revealed in your investigation. Similarly upon your review of innumerable case related transactions there were no operational or legal issues to report. The dedicated and conscientious men and women in the Thirty-first Judicial Circuit, who universally take great pride in their service to the judiciary, will be gratified to learn of your report.

At your request, we are providing our response to your specific findings. For clarity, our response will be in the same order, and with the same numerical identification which you have chosen for your report.

1. Time-Payment Fee

As you have recited, the Thirty-first Judicial Circuit local court rule 100.3.3 is identical to Missouri Supreme Court Operation Rule 21.13. Both rules require the court to assess a $25 fee on all cases with financial charges not paid in full within 30 days of disposition. Without question the Supreme Court has resolved this fee shall apply to all divisions of the court. As you have observed, our court has not been assessing the "late fee" in cases disposed in the Juvenile Division. The fee has been appropriately assessed in all other divisions of the court.

We have determined this dates back to a time before the rules mandated all divisions of court be assessed the specific fee. [Effective date was January 1, 2012] We can only surmise historically that because the typical Juvenile Division fee is relatively small, $30, and is levied on persons most often without means to make the payment, (juvenile abuse, neglect, and delinquency cases) the Court simply did not determine it appropriate or cost effective to add the $25 additional fee. Our policy did not recognize the rule change.

However, in response to your report, we do acknowledge our obligation to assess the late payment fee on Juvenile Division cases and have already taken action to make certain the fee is assessed on all cases as mandated.

2. Circuit Court Funds

2.1 – 2.2 Budgets and Accumulated fund balances.

You have suggested two of three court managed funds have accumulated excessive balances without any formal plans for their use. Curiously, one of the funds to which you refer is the Time Payment Fund, which was the subject of Part 1 of your report for which we will now be assessing more fees.

We do take issue with your conclusion. In response to the onsite auditor's request, we did provide a rather extensive outline of the Courts planned use of the funds that included significant expenditures made in 2019, albeit outside of your audit period, and the reasonably anticipated future expenditures.

The Thirty-first Judicial Circuit is a non-partisan court as contemplated by Article 5 of the Missouri Constitution. As such, we are restricted and in fact limited by Missouri statutes in the types of expenditures we can approve from the funds you reference. As we disclosed to your onsite auditors, we have been working closely with our elected representatives to advance a statutory amendment to expand the authorized use(s) for these funds so we can better provide judicial resources to our community. We will continue that effort in the next legislative session. If and when we are successful in promoting that amendment we anticipate a substantial and recurrent expenditure from the funds.

To allay your conclusion that we have no planned use for the funds, and in effort to give you some insight into our current and anticipated use, thus far in the calendar year 2019, we have expended nearly $200,000 to upgrade four of our aging courtrooms with modern audio and visual technology. The expense for the equipment, infrastructure, and installation is approximately $45,000/courtroom. Our current plan is to proceed with renovating the remaining ten courtrooms, one-by-one in an organized and disciplined manner. The anticipated expenditure will be in excess of $450,000.

In addition we are very pleased to report the Missouri Legislature has appropriated funds for the Thirty-first Judicial Circuit to install an additional, now sixth Circuit Judge. The first additional Circuit Judge position in our circuit in over 40 years! Therefore in our 2020 budget estimate recently submitted to the Greene County Commission, we have proposed, and now committed in our formal budget, to fund the cost of furnishings, computers and audiovisual equipment for a soon-to-be constructed additional courtroom. This planned expenditure exceeds $100,000. We are working closely and collegially with the Greene County Commission in this regard.

Finally, and consistent with the statutory restriction, in the year 2019 we have used approximately $200,000 of the fund monies to support the expense of our Family Treatment Court program. This program is a section of our broader Treatment Court and serves families in crisis and families unable to reunify with their children due to addiction issues.

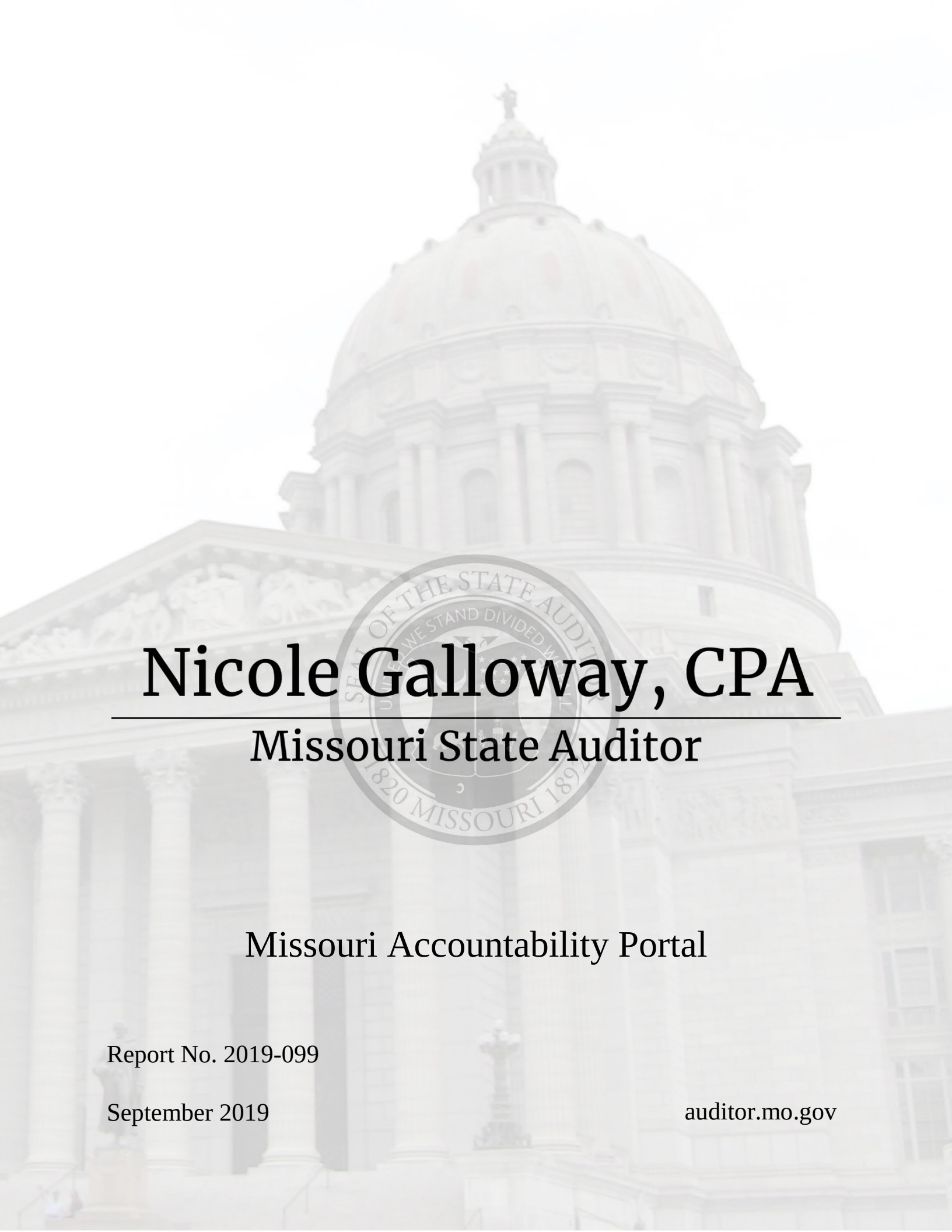
You are correct in your conclusion that we have not prepared a formal budget for these funds. We do however disagree with your conclusion that we do not effectively monitor actual costs, revenues and cash balances with regard to the funds. We do in fact carefully monitor each of those management points. While nothing in the enabling statues for these funds, or the Supreme Court Operating Rules would mandate or even suggest that a formal budget should be prepared, we do accept and appreciate your suggestion that a budget may be of assistance in our continued management of these funds.

Sincerely,

Thomas R. Barr
Greene County Circuit Clerk

Michael J. Cordonnier
Presiding Judge
Thirty-first Judicial Circuit

c. Joshua Allen, Audit Manager
Joy Stevens, Staff Auditor, III



Nicole Galloway, CPA

Missouri State Auditor

Missouri Accountability Portal

Report No. 2019-099

September 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Accountability Portal

Incomplete and Inaccurate Data	Certain data reported in the Missouri Accountability Portal (MAP) is not complete or accurate. The OA has excluded a category of state expenditures from reporting in the MAP, resulting in an underreporting of state expenditures of approximately $743 million for the 7-month period July 2018 through January 2019. In addition, the OA has elected to omit interagency payments from the MAP, leading to inaccurate reporting of agency expenditures. The OA has not adopted policies and procedures to ensure bonds reported by political subdivisions to the MAP are complete or accurate.
Portal Usability	Opportunities exist for the OA to increase the usability and functionality of the MAP. The MAP does not incorporate some best practices and actions recommended for transparently reporting government data. Data available from the download tool in the MAP is not the same as the data displayed in the MAP for public browsing.

Because of the nature of this report, no rating is provided.

Missouri Accountability Portal
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited certain operations of the Office of Administration, Missouri Accountability Portal (MAP). This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the timeliness, completeness, accuracy, and quality of the MAP data.

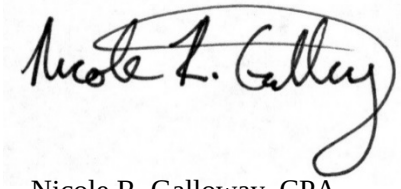
2. Evaluate the extent to which the MAP is consistent with key practices for transparently reporting state (government) data on a centralized website.

3. Evaluate compliance with certain legal provisions.

4. Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in the completeness and accuracy of MAP data, (2) noncompliance with key practices for transparently reporting government data, (3) no significant noncompliance with legal provisions, and (4) no significant deficiencies in management practices and information system control activities. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Accountability Portal.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Jeffrey Thelen, CPA, CISA
	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
In-Charge Auditor:	Patrick M. Pullins, M.Acct., CISA, CFE

Missouri Accountability Portal
Introduction

Background

The Missouri Accountability Portal (MAP) website[1] "is presented to the citizens of Missouri as a single point of reference to review how their money is being spent and other pertinent information related to the enforcement of government programs," according to the website's homepage. The MAP was established by Executive Order 07-24 signed by Governor Matt Blunt in July 2007. The order described the MAP as "an easy-to-search database of financial transactions related to the purchase of goods and services and the distribution of funds for state programs" and "shall be updated each state business day and maintained as the primary source of information about the activity of Missouri's government." This Executive Order was codified into statute[2] in 2009, and amended in 2013.

The MAP website is primarily administered by the Office of Administration (OA), Division of Accounting. The website was built by, and is maintained by, the OA Information Technology Services Division using existing state resources.

The MAP website allows users to access seven distinct data sets of financial information relevant to the state of Missouri, and for one data set, the state's component political subdivisions. These data sets, each represented as a tab, are:

- Employees: Presents gross pay (before taxes and other deductions) for all state employees paid through the statewide accounting system (SAM II).
- Expenditures: Displays payments made by the state to vendors, contractors, grant recipients, etc. Data on this tab comes from the SAM II.
- Budget Restrictions: Displays expenditure restrictions enacted by the governor. Data on this tab is statutorily[3] required to come from the Governor's office.
- Federal Grants: Presents grants received by the state from the federal government. This information is provided by the agency receiving the grant.
- Bonds: All political subdivisions of the state are required to report bonds and obligations they issued. For all subdivisions except public school districts and charter schools, this information is reported by the entity directly to the OA. Public school districts and charter schools report this information to the Department of Elementary and Secondary Education, who then forwards the information to the OA.

[1] The MAP is available online at <https://mapyourtaxes.mo.gov/MAP/Portal/Default.aspx>.

[2] Section 37.850, RSMo.

[3] Section 37.850.4, RSMo.

- Stimulus: Displays revenues and expenditures pertaining to the American Recovery and Reinvestment Act of 2009 (ARRA). Information on this tab comes from the SAM II.
- Tax Credits: Displays selected information regarding tax credits issued by the Missouri Department of Economic Development, who provides the information.

The MAP website has two additional options allowing a user to access additional information outside of the MAP. These options include Financial Reports, made available by the OA Division of Accounting and the Missouri Department of Revenue (DOR); and "Who is Not Paying," an online search tool to identify business entities with a revoked sales tax license, provided by the DOR.

Other states

The U.S. Public Interest Research Group (PIRG), a national non-profit organization with state affiliates, has conducted annual surveys of all 50 states to evaluate their transparency websites. We reviewed the 2010 through 2018 annual reports to determine the benefits of a transparency portal and evaluate Missouri's performance as compared to the rest of the country.

According to the PIRG, transparency websites make government more effective and accountable.[4] Specifically, the reports noted that these websites:

- Save money by allowing vendors to better negotiate contracts and increase competition, allowing users to identify and eliminate governmental inefficiencies, and reducing governmental costs for compliance with information requests.
- Provide support for achieving policy goals by allowing for more efficient access to government information, both by citizens and government employees.
- Cost little to create and operate, with several states (including Missouri) reporting little to no cost, often absorbed into the existing budget without need for additional funding.

In the 2010 review, Missouri earned a score of 81 of 100 possible points. For the 2018 review, Missouri's score had declined to 62 of 100 possible points. Because the reviews used different scoring methodologies, the results are not directly comparable. While the state's score declined over this period, Division of Accounting officials indicated it did not occur due to a decline in the Missouri site, but because of improvements in the sites of other states, and accordingly the increased expectations of what is possible in transparency

[4] U.S. PIRG Education Fund and Frontier Group, *Following the Money 2018: How the 50 States Rate in Providing Online Access to Government Spending Data*, is available at <https://uspirg.org/sites/pirg/files/reports/FtM%20NATIONAL%20FINAL%20VERSION_0.pdf>, accessed February 4, 2019.

websites. For example, the 2010 report indicated Missouri was one of only 36 states with a transparency portal, while by 2018 all 50 states had one. The 2018 report praised several states for new and improved websites with additional features that Missouri was noted as lacking, such as checkbook level reporting of individual transactions, data visualizations, data summaries and subtotals, and guided searches.

Best practices for transparency

The United States Government Accountability Office (GAO) recognizes the value of transparency, stating "Open data can foster accountability and public trust by providing citizens with information on government activities and their outcomes. It can also promote private sector innovation."[5] Accordingly, the GAO provided a list of 5 key practices and 18 key actions to be taken by governments to transparently report government data.

Table 1: GAO key practices and key actions for transparently reporting open government data

Key Practices	Key Actions
Provide free and unrestricted data	Make government data open by default, while protecting sensitive or restricted information
	Do not charge users for access to the data
Engage with users	Identify data users and their needs
	Solicit and be responsive to user feedback
	Reach out to potential users to encourage data use
Provide data in useful formats	Provide users with detailed and disaggregated data
	Provide machine-readable data that can be downloaded in bulk and in selected subsets
	Provide data downloads in a non-proprietary format
	Make the data interoperable with other datasets
Fully describe the data	Disclose known data quality issues and limitations
	Disclose data sources and timeliness
	Clearly label data and provide accompanying metadata
	Publish data under an open license and communicate licensing information to users
Facilitate data discovery for all users	Provide an interface that enables intuitive navigation and ensure that the most important information is visible
	Provide users with appropriate interpretations of the data, such as visualizations or summaries
	Ensure that the website's content is written in plain language
	Provide a search function that is optimized for easy and efficient use
	Use central data repositories and catalogues to help users easily find the data they are looking for

Source: GAO-19-72

[5] Report GAO-19-72 *Open Data: Treasury Could Better Align USASpending.gov with Key Practices and Search Requirements*, December 2018, is available at <https://www.gao.gov/assets/700/696023.pdf>, accessed May 17, 2019.

Scope and Methodology

The scope of our audit included (1) the OA's approach to and management of the MAP, (2) policies and procedures, and (3) other management functions and compliance issues in place during the year ended December 31, 2018.

Our methodology included reviewing written policies and procedures, and interviewing various OA personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files from the MAP for bonds, budget withholdings, check cancelations, employees (payroll), expenditures, federal grants, revenues and expenditures related to the ARRA, and tax credits as of January 31, 2019. In addition, we obtained financial data from the SAM II as of that date. We compared the data to ensure the completeness and accuracy of the data presented in the MAP. Although we used computer-processed data from the MAP and SAM II systems for our audit work, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology from the following sources:

- National Institute of Standards and Technology (NIST)
- U. S. Government Accountability Office (GAO)
- ISACA

Officials from the OA refused to provide certain written representations to our office as requested. While such management representations are not specifically required by Government Auditing Standards for performance audits, it is standard practice of the State Auditor's Office to require such representations be provided to help ensure adequate audit evidence has been obtained. Historically, state agencies have not refused to provide such assurances.

We asked OA management to provide, among other things, the following written representations:

- "We have not knowingly withheld from you any records that in our judgment would be relevant to your audit."

- "We are responsible for the program's compliance with provisions of laws, regulations, contracts, and grant agreements applicable to it; and we have identified, and disclosed to you, all such provisions that we believe have a significant effect on operations. We have complied with all aspects of laws, regulations, and grant agreements that would have a significant effect on operations in the event of noncompliance."

OA management refused to provide these written representations and instead provided the following representations, which significantly altered the meaning of these representations:

- "We have not knowingly withheld from you any records you requested that in our judgment would be relevant to your review."

- "We are responsible for compliance with the Revised Statutes of Missouri and the regulation as they relate to MAP and, within the limits of our authority, have performed activities designed to comply with the same. We are unaware of any contracts or grant agreements related to MAP."

In effect, OA officials declined to provide assurance they (1) had not withheld relevant information from audit staff and (2) had disclosed all provisions of laws, regulations, contracts, and grant agreements that the agency believed would have a significant effect on the audit.

Refusal to provide such representations is concerning and may indicate information potentially relevant to our audit was knowingly withheld from us by OA management.

Missouri Accountability Portal Management Advisory Report State Auditor's Findings

1. Incomplete and Inaccurate Data

Certain data reported in the Missouri Accountability Portal (MAP) is not complete or accurate. As a result, any users accessing and using the data could be misled and draw inaccurate conclusions regarding the financial transactions and status of the state and/or its political subdivisions.

The MAP website includes disclaimers for each page providing additional information. For example, the disclaimer for the state expenditures data sets states, "While all of the information contained on this site is an open record in accordance with the Missouri Sunshine Law (Ch. 610, RSMo), there may be additional public records available regarding this data. . . . Any information that is a closed record pursuant to the Missouri Sunshine Law or other applicable state or federal law or regulation will not be published on this site. However, every effort has been made to report all relevant financial data where possible. In some instances names of individuals have been withheld to protect their confidentiality. Some payments are initiated outside the statewide financial system and while the financial expenditures associated with these payments may be reported on this site, it may be necessary to contact the state agencies processing those payments for further information."

The disclaimer does not provide specific information regarding the types of transactions omitted or if the transactions have been omitted entirely or just redacted. For example, some employee payroll records in the MAP are listed under the name "Protected (Public Safety)" to protect the identities of investigators and other vulnerable individuals.

1.1 Excluded category

The OA has excluded a category of state expenditures from reporting in the MAP, resulting in an underreporting of state expenditures of approximately $743 million for the 7-month period July 2018 through January 2019.

When entering expenditures into the state accounting system, state employees must code the expenditure to an object code (a description of the expenditure), which rolls up to a corresponding category (a group of related object codes). For example, the object codes pertaining to Postage, Motor Fuel, and Vaccines are 3 of the 45 object codes corresponding to the "Supplies" category in the state accounting system, while the "Travel" category includes 17 object codes in the system, including mileage, meals, and lodging. The Travel category subdivides further, with separate object codes for in-state and out-of-state use.

We determined the MAP omits all transactions coded to an employee benefits category. During the period July 2018 through January 2019, the MAP did not report expenditures of approximately $743 million coded as benefits.[6]

[6] Items such as state contributions to employee retirement, employee health insurance, and social security and Medicare; and other benefits.

OA personnel noted the help screen for Expenditure information states "Information regarding state employee payroll and fringe benefit payments will be made available on this site at a future date." However, because this disclaimer is not on the data access page, there is a significant risk that users might not see it. Also, since employee payroll has been added to the MAP, users who see the notice might think it is outdated and that benefit payments are now included.

While benefits are sensitive data that should be summarized before reporting to reduce risk, omitting the data in its entirety results in understating the total costs of Missouri government and hinders transparency.

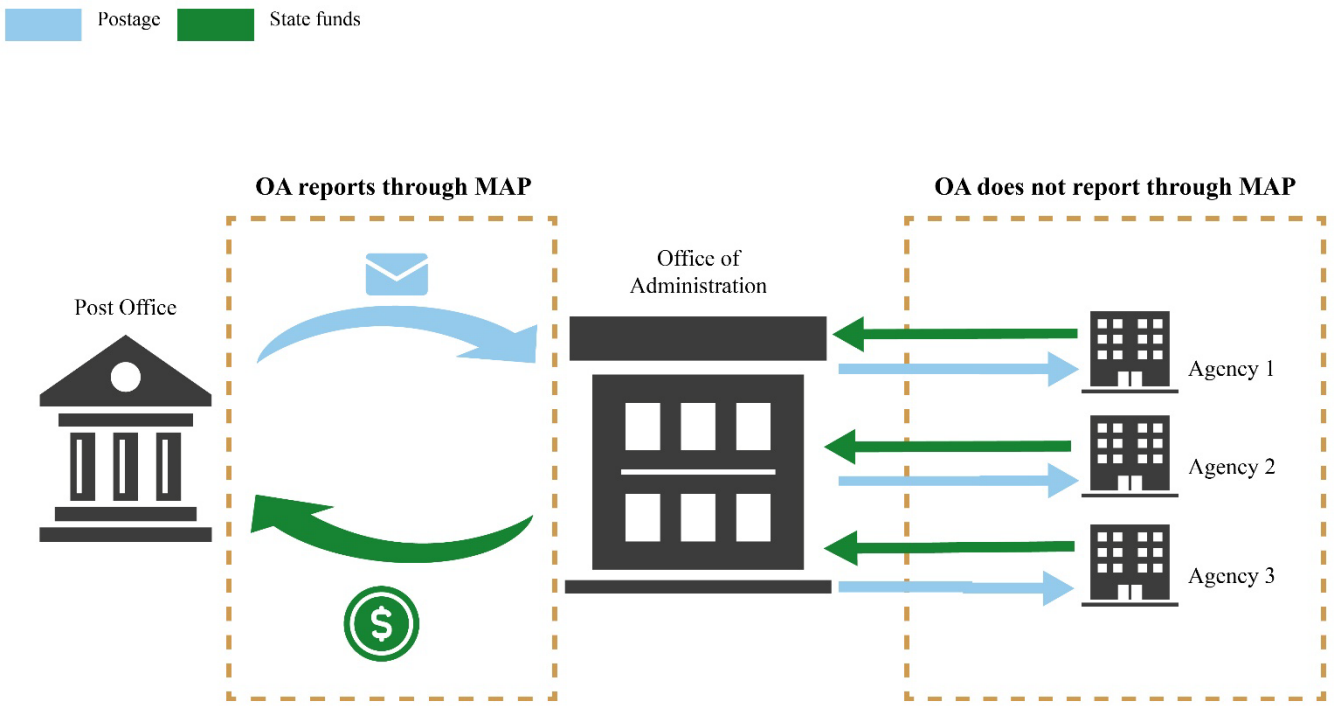
1.2 Interagency payments

The OA has elected to omit interagency payments from the MAP, leading to inaccurate reporting of agency expenditures.

Interagency transactions occur when one state agency provides goods or services to another state agency. Because these transactions are internal, with no money actually leaving state accounts, they are recorded using interagency transactions, which essentially move the funds from one state account to another. This also means these transactions are not included in the MAP database. Instead, these transactions are accounted for when the original purchase is made to the external vendor (i.e., when funds actually leave state accounts). For many items, this is accounted for using a special object code for "rebillable" items during the original purchase, and the standard object code during the interagency purchase.

For example, the OA General Services Division provides centralized mailing services for state agencies. To provide this service, the OA purchases postage in bulk from the United States Postal Service (using the object code for rebillable postage), then bills each agency for its share of the postage used using the interagency billing process (with the object code of postage). The MAP only displays the external "rebillable postage" expenditures by the OA and direct "postage" expenditures by the agencies, and not the interagency "postage" expenditures of each individual agency.

Figure 1: Interagency purchasing process and MAP reporting



Source: State Auditor's Office (SAO).

Because the OA does not include interagency transactions in the MAP, operating expenses of state agencies are understated. For example, Figure 2 shows the percentage of each agency's July 2018 through January 2019 postage expenditures reported in MAP. Total postage expenditures statewide during the period totaled $10.3 million, of which $6.5 million is reported in the MAP.

Figure 2: Percentage of agency postage expenditures reported in MAP, July 2018 through January 2019

Agency	Total SAM II Postage Expenditures	Percent of SAM II Expenditures in MAP
Legislature	$ 277,914	100.00%
Office of State Treasurer	69,457	99.99%
Judiciary	65,021	99.94%
Conservation	905,951	99.77%
Office of Attorney General	52,810	99.10%
Corrections	401,715	92.79%
Revenue	3,698,185	89.41%
Mental Health	137,303	80.96%
Office of Secretary of State	224,010	80.07%
Economic Development	25,354	52.35%
Elementary and Secondary Education	27,656	49.17%
Transportation	61,048	47.61%
Agriculture	48,195	42.61%
Social Services	2,512,426	30.69%
Natural Resources	68,135	23.95%
Labor and Industrial Relations	1,071,521	20.85%
Office of Governor	2,918	20.73%
Public Safety	163,848	19.78%
Health and Senior Services	203,816	19.04%
Office of State Auditor	3,199	8.60%
Office of Administration	50,147 (1)	4.83%
DIFP (2)	248,851	4.08%
Office of Lieutenant Governor	103	0.00%
Higher Education	12,240	0.00%
Total	$ 10,331,824	

(1) Amount excludes approximately $5 million of rebillable postage originally purchased by the Office of Administration.

(2) Department of Insurance, Financial Institutions, and Professional Registration

Source: SAO analysis of MAP and SAM II data.

Because interagency transactions are not reported, the MAP underreports actual postage expenditures for all agencies (except the Legislature, which recorded no interagency postage expenditures). Similar underreporting happens for other object codes in which the MAP does not consider interagency purchases, including utility and telecommunications costs, information technology services, and items obtained through Missouri Vocational Enterprises (Correctional Industries).

The OA notes correctly that it would be improper to record these expenditures twice (once when purchasing from the external merchant and again when making the interagency payment). OA officials said the decision to report transactions in this manner was an effort to show the public the final recipient of state expenditures. However, by choosing to record these purchases in this way, expenditures of the agency actually using the product or service are understated.

1.3 Bond reporting

The OA has not adopted policies and procedures to ensure bonds reported by political subdivisions to the MAP are complete or accurate.

A 2013 amendment to the MAP statutes added the requirement for all political subdivisions to report to the OA all bonds issued, all tax increment financing obligations, and the revenue streams required to repay such bonds and obligations.[7] To facilitate this reporting, the OA created a tool for entities to upload this information directly to the MAP without intervention from OA staff.

We obtained from the MAP a list of all reported bonds issued between January 1, 2015, and January 31, 2019. We also obtained a listing of all bonds certified by the State Auditor's Office during this period.[8] All records with an amount of greater than $20 million or less than $200,000 were matched between the two lists, resulting in a population of 78 bonds for analysis. We identified:

- Seven bonds reported to the OA at a different amount than what was certified by the SAO. All of these bonds were reported at a multiple of their registration amounts, with the largest being a bond certified by the SAO for $8.8 million but reported to the OA as an $8.8 billion issuance.
- Seven bonds certified by the SAO that were not reported to the OA.
- Two bonds reported to the OA twice under different names.

[7] Section 37.850.2 RSMo

[8] Section 108.240, RSMo, requires certain bonds to be certified by the State Auditor's Office prior to issuance. The OA filing and SAO registration requirements are not identical, so all bonds filed with OA are not necessarily certified by the SAO. However, all bonds certified by the SAO should be included in the OA filings.

We contacted representatives of two of the seven political subdivisions that did not file information with the OA. Both indicated they were unaware of the filing requirements and had not been informed of them by the OA.

OA officials provided a copy of two letters sent in late 2013 to known bond counsel firms and general counsels explaining the filing requirement, but stated there is no known complete list of political subdivisions in Missouri to attempt to ensure complete compliance. Additionally, they noted state law does not require the OA to notify political subdivisions, does not require the OA to review or verify the data submitted, and does not provide any resources to the OA to perform any quality control or compliance procedures. Accordingly, they indicated the OA does not perform any procedures to review the completeness and accuracy of the submitted information.

By not taking steps to ensure the completeness and accuracy of data provided to the public, the OA risks misleading the public as to the true financial condition of political subdivisions.

Recommendations

The Office of Administration:

1.1 Include summarized employee benefit transaction data in the MAP to increase completeness and usefulness of the data to users.

1.2 Report interagency expenditures in the MAP to more accurately reflect actual agency expenditures, while continuing to avoid recording expenditures twice.

1.3 Implement procedures to ensure the completeness and accuracy of bond information reported in the MAP.

Auditee's Response

1.1-1.3 The Office of Administration's written response is included in the Appendix.

Auditor's Comment

1.3 The SAO is not permitted to routinely audit most local governments and our ability to audit local governments is in many cases limited to the petition audit process.

2. Portal Usability

Opportunities exist for the OA to increase the usability and functionality of the MAP.

2.1 Best practices

The MAP does not incorporate some best practices and actions recommended for transparently reporting government data.

As discussed in the background section, the United States Government Accountability Office (GAO) has identified 5 key practices and 18 key actions for governments to transparently report government data. We

evaluated the MAP against these best practices and actions, and identified certain weaknesses that could be improved by the OA.

Engage with users

The OA has not attempted any outreach efforts to users of the MAP. Such outreach could help the OA to learn how users utilize the MAP data and what features the users would like to see added or modified in the system. It could also help users develop better uses of the information in the MAP.

OA officials indicated the state had not attempted to conduct formal outreach to system users for several reasons. They said system analytics indicate most users are state employees and not members of the general public. In addition, they said the OA does not have resources (staff and funding) to conduct such research or to implement any changes the research might identify. However, conducting outreach might help the OA learn why the MAP is not used more widely by the general public, and identify changes (some of which could be low- or no-cost) that could be made to enhance the portal now or in the future if resources become available.

Provide data in useful formats

The OA does not provide detailed data through the MAP portal, and has not standardized all data elements to help ensure users understand the data and how data elements relate to one another.

The MAP only presents summarized information to users. The data does not include the count of or specific amounts of payments to a vendor; only the totals are included. Accordingly, information as to specific payments (e.g., the date of the payment) is not available.

In addition, the MAP does not employ a common data dictionary for users. Each section of the MAP has a glossary in the system's help screens. However, we noted each of the five glossaries defining the term "Agency" used a different definition. Only one of these definitions (on the Employee help page) included certain key facts that users should know, including that expenditures of the Office of Public Defender are included with the Judiciary, and the MAP does not include expenditures from certain state entities, including colleges and universities. This inconsistency could cause users to incorrectly believe these entities are included in the other sections.

Fully describe the data

MAP disclosures do not adequately explain what data is missing from the portal, do not disclose the data sources, and fail to provide structured metadata for system users.

The MAP disclaimers indicate that some information is excluded to protect confidentiality. However, transparency could be improved by presenting this data at a summarized level. For example, some employees are identified in the MAP payroll data as "Protected (Public Safety)." However, other vendors are omitted entirely from the MAP. Auditors noted specifically that

miscellaneous vendors do not appear to be included in the MAP. Miscellaneous vendors are a special type of vendor generally used when the state has a large number of similar payees, typically for relatively low dollar amounts, that do not warrant creation of individual vendor records. These vendors are often used for transactions such as witness fees related to court cases and certain refund issuances.

This disclaimer also notes that the MAP only includes original transactions. This means that any adjustments made later are not included. We noted instances in which an object code was understated compared to information in the state's accounting system. Further review indicated the reason for the difference was a correcting entry made to a previously recorded transaction. For example, if an employee's expense account was incorrectly recorded to a taxable reimbursement (such as tuition) instead of non-taxable reimbursement (meals while traveling), the MAP would not be updated for the correcting transaction, resulting in an over reporting of tuition expenses and an underreporting of meals.

The sources of MAP data are not disclosed. While most data comes from the statewide SAM II accounting system, other data is provided by the Department of Economic Development (tax credits), political subdivisions (bond data), or other state agencies (federal grant data).

The MAP also does not include metadata describing the attributes of the data presented. According to the GAO, "metadata describe the characteristics of data in clearly defined, machine-readable fields, which can include attributes such as the date the data were created or modified, or the license used, among other things. Structuring metadata in clearly defined fields makes it possible for search tools to filter and match content pertaining to those fields."

Facilitate data discovery for all users

The OA could take actions to improve the accessibility and understandability of public data in the MAP.

The MAP does not provide users with visualizations or summaries of data, to help them easily identify key issues, trends, and relationships between data points. Additionally, the MAP does not monitor searches performed, which is a prerequisite for developing one-click functionality to help users perform popular searches more efficiently or determine other ways users are using the data.

Conclusion

While the OA incorporates many best practices and actions recommended by the GAO, working to incorporate the remaining guidance would help to provide citizens with the most complete, usable, and functional data possible.

2.2 Data downloads

Data available from the download tool in the MAP is not the same as the data displayed in the MAP for public browsing.

Within the employee payroll section of the MAP, users can see the last pay date for a user and the current gross pay (amount of the most recent paycheck). However, when accessing the downloaded data files, payroll data is only available on a year-to-date basis, without the most recent payment information.

When viewing expenditure records in the MAP, users can see if the expenditure pertained to a state contract, and if so, the contract number associated with the expenditure. This information is not included in the downloadable MAP data. Division of Accounting staff indicated this occurs because this data comes from a different data source in the statewide accounting system than the one used to populate the rest of the MAP.

Because of the lack of complete, consistent, and comparable data, citizens are unable to use the MAP download tool to effectively review and analyze government information.

Recommendations

The OA:

2.1 Evaluate ways to update the MAP to address the best practices and actions recommended by the GAO to transparently report government data.

2.2 Ensure the data available in the MAP and the download tool are complete, consistent, and comparable.

Auditee's Response

2.1-2.2 The Office of Administration's written response is included in the Appendix.

Michael L. Parson
Governor

State of Missouri
OFFICE OF ADMINISTRATION
Post Office Box 809
Jefferson City, Missouri 65102
Phone: (573) 751-1851
Fax: (573) 751-1212

Sarah H. Steelman
Commissioner

August 13, 2019

Honorable Nichole R. Galloway
Missouri State Auditor
P.O. Box 869
Jefferson City, Missouri 65102

Dear Madam:

We are providing this letter in connection with your audit of the Missouri Accountability Portal. On August 6, the State Auditor's Office sent a revised version of the draft audit report and therein stated, "Please note, for the OA's response to MAR 1.1, we will exclude from the report content reflecting the management representation letter." Be advised, consistent with the State Auditor's Office description of the "The Audit Process" on its website, we reasonably expect the entirety of the following responses to be included within the final audit report.

The following is the Office of Administration's official response to the draft audit report.

Recommendation 1.

1.1 Include summarized benefit transaction data in the MAP to increase completeness and usefulness of the data to users.

1.2 Report interagency expenditures in the MAP to more accurately reflect actual agency expenditures, while continuing to avoid recording expenditures twice.

1.3 Implement procedures to ensure the completeness and accuracy of bond information reported in the MAP.

Response 1.
1.1. The SAO's dispute with OA regarding the management representation letter began with an email dated May 28, in which the SAO asked for a backdated management letter, specifically telling OA two things: "do not change the date of this letter" and that

"[a]uditing standards require us to obtain from the department a signed letter acknowledging management's responsibility for controls and for other representations."

Draft versions of the audit report have SAO's comments regarding the management representation letter growing from a quarter of a page to more than a full page. In the back and forth the SAO conceded that "management representations are not specifically required by Government Auditing Standards for performance audits." OA responded to the criticisms saying: "In your scope and methodology section, you assert that OA failed to provide written representations 'as requested.' We properly refused to provide a backdated letter. We have provided your office an appropriate management representation letter. While we consider your recommendations, we suggest you consider our recommendation to not ask anyone to issue backdated letters to your office under any circumstance."

The SAO makes no recommendations in the Audit Report about the management representation letter that would permit a direct response. The SAO then asserts in an email dated August 6, that they "will exclude from the report content reflecting the management representation letter" contained in this response. This assertion is inconsistent with the SAO's published policy, which provides: "After receiving a copy of the draft report, the auditee has 30 days to provide written responses to the audit findings. These responses are included in the audit report." SAO website: https://auditor.mo.gov/auditinfo/auditprocess (last visited August 13, 2019).

It is clear that the SAO believes that OA should simply sign any representation letter that the SAO prepares. What OA signed and what SAO requested are nearly identical with the primary difference being OA refuses to guess what records might be "relevant" to the audit that the SAO did not request. Instead, OA attests that it provided and did not withhold requested records that were relevant to the audit. The other change OA made to its letter revised the wording the SAO requested to be more descriptive and easily understood regarding the applicable law and the activity being audited.

Finally, in the email dated August 6, the SAO attempted to justify its request for a backdated management representation letter, noting that dating the letter the date it is signed "unnecessarily extends their [OA's] representations to cover a greater period." That it would be advantageous to backdate a letter does not make it the right thing to do. It would be inappropriate to backdate a letter to conceal from the SAO any developments about which SAO inquired that occurred following the conclusion of audit fieldwork.

Specific to recommendation 1.1, OA agrees to add a link on MAP to the budget explorer website that contains summary employee benefit expenditures.

1.2. OA disagrees. In light of Missouri's twenty year old accounting system's limitations, the most important information for the public to know is the total amount each vendor receives in state expenditures, not each individual agency's transfer to OA that contributed to OA's payment to specific vendors.

1.3. While the Audit Report indicates that localities are required to report bond transactions to the SAO and the SAO has authority to audit the localities' reporting of this information, OA only has statutory authority to grant the public access through MAP of what the localities report about their bond transactions. OA suggests that SAO include a verification process of local bond disclosures to its regular local government audit procedures.

Recommendation 2.
2.1. Evaluate ways to update MAP to address the best practices and actions recommended by the GAO to transparently report government data.

2.2. Ensure the date available on the MAP and the download tool are complete, consistent, and comparable.

Response 2.
2.1. In the prior version of the SAO's audit report, the SAO recommended that OA "Update the MAP to conform to best practices as promulgated by the GAO."

OA responded to this recommendation, saying: "Basic concepts of federalism are important to most Missourians. While the State Auditor believes that the federal Government Accountability Office has identified best practices for government accounting websites, the State of Missouri does not uniformly adopt recommendations made by federal government agencies concerning the state's internal operations. When the federal government does not pay for upgrades to state websites, it lacks the authority to establish the standards for those websites. If OA had unlimited resources, we would determine the best practices and implement them as authorized by Missouri law."

The SAO continues to recommend that OA consider GAO standards to determine best practices for Missouri websites. The GAO is an agency of the federal government, a government entity that is demonstrably unfamiliar with the fiscal constraints faced by state governments As resources allow, OA will consider best practices used by other states for their accounting websites and implement them.

2.2. OA will review the existing exports as time and resources allow.

If you have any questions or concerns, please contact me or Stacy Neal, the Director of the Division of Accounting.

Sincerely,

Sarah Steelman

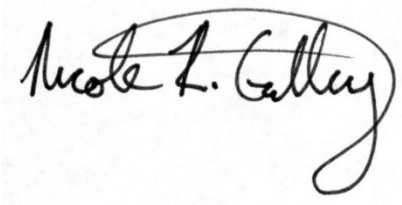
Sarah H. Steelman
Commissioner

3

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Grundy County, Missouri

The Office of the State Auditor contracted for an audit of Grundy County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-098

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Grundy County

2018-001 Budgetary Compliance	The County ensure compliance with state statutes by refraining from approving expenditures in excess of budgeted amounts and budgeting expenditures in excess of beginning balances plus anticipated revenues. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.
Bank Reconciliations	The County implement procedures to ensure that stale outstanding checks are followed up with in a timely manner and removed from the bank reconciliation when it becomes apparent that checks will not be cashed. Checks that have remained unclaimed for more than three years are deemed abandoned and are required to be turned over immediately to the State Treasurer pursuant to state statutes. We also recommend that the Prosecuting Attorney ensure that bank reconciliations are accurate and properly reconciled between book and bank balance and that any issues are addressed in a timely manner.
Senior Citizens Tax Board Documentation	The Senior Citizens Tax Board implement procedures to ensure that financial documents are kept in a safe and secure location to support the financial transactions, approved budgets, and meeting minutes of the Board.
Credit Card Use	The County implement procedures to ensure expenses of the County are paid in a timely manner, to ensure proper use of taxpayer funds.

ANNUAL FINANCIAL REPORT

GRUNDY COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

GRUNDY COUNTY, MISSOURI

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INTRODUCTORY SECTION

GRUNDY COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Rick Hull

First District Commissioner – Don Sager

Second District Commissioner – Joe Brinser

Other Elected Officials

Assessor – Kathy Veatch

Circuit Clerk/Recorder – Becky Stanturf

Collector/Treasurer – Barbara Harris

County Clerk – Betty Spickard

Coroner – Dewayne Slater

Prosecuting Attorney – Carrie Lamm-Clark

Public Administrator – Jill Eaton

Sheriff – Rodney Herring

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Grundy County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Grundy County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Grundy County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Grundy County, Missouri, as of December 31, 2017 and 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Grundy County, Missouri, as of December 31, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 9, 2019, on our consideration of Grundy County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Grundy County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2019

Exhibit A

GRUNDY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
General Revenue	$ 683,740	$ 1,484,631	$ 1,255,221	913,150	$ 1,227,854	$ 1,313,114	$ 827,890
Special Road & Bridge	402,681	696,820	815,546	283,955	560,444	534,401	309,998
Assessment	37,929	188,703	165,195	61,437	168,542	174,262	55,717
Ambulance	1,315,727	1,108,300	1,188,893	1,235,134	1,383,587	1,103,069	1,515,652
Law Enforcement Center	6,423	674,548	674,351	6,620	611,839	617,650	809
Juvenile Programs	17,914	51,808	49,918	19,804	62,928	57,759	24,973
Juvenile Restitution	1,104	-	-	1,104	-	-	1,104
LEPC	4,376	6,598	6,233	4,741	7,457	8,024	4,174
Law Enforcement Restitution	7,772	17,425	11,170	14,027	16,999	9,281	21,745
Record Preservation	1,697	3,202	1,574	3,325	4,282	3,448	4,159
Prosecuting Attorney Training	3,767	328	764	3,331	263	500	3,094
Law Enforcement Training	686	1,939	2,000	625	1,574	1,611	588
Sheriff Revolving	15,162	1,525	2,503	14,184	1,191	3,489	11,886
Inmate Security	5,499	9,879	8,825	6,553	11,268	5,423	12,398
P.A. Delinquent Sales Tax	777	1	-	778	2	-	780
Deputy Salary	(1,541)	21,870	21,784	(1,455)	18,246	19,039	(2,248)
Prosecuting Attorney Bad Check	18,296	11,793	11,521	18,568	13,291	13,805	18,054
Election Services	11,820	5,588	3,032	14,376	5,534	8,293	11,617
Civil Fee	2,052	10,572	9,810	2,814	10,394	11,024	2,184
Recorder's Technology	3,957	1,703	3,486	2,174	1,849	3,000	1,023
Victims of Domestic Violence	67	582	491	158	484	507	135
911	26,837	141,702	129,024	39,515	141,360	125,971	54,904
Tax Maintenance	12,764	20,194	11,813	21,145	19,129	11,052	29,222
Drug Court Local	32,584	21,478	24,245	29,817	22,621	23,578	28,860
Cemeteries	224,956	2,536	152,705	74,787	2,585	4,775	72,597
Fred Fitch Trust	137,413	2,172	131,840	7,745	2,093	4,400	5,438
Crippled Children Trust	14,008	149	7,000	7,157	162	-	7,319
Cemetery CD's	-	150,000	-	150,000	-	-	150,000
Fred Fitch Trust CD's	-	131,423	-	131,423	-	-	131,423
Crippled Children Trust CD's	-	7,000	-	7,000	-	-	7,000
Senior Citizens Tax Board	10,487	61,991	61,813	10,665	60,880	62,271	9,274
Senate Bill 40 Board	309,307	149,119	134,373	324,053	146,442	144,797	325,698
Total	$ 3,308,261	$ 4,985,579	$ 4,885,130	$ 3,408,710	$ 4,503,300	$ 4,264,543	$ 3,647,467

The accompanying Notes to the Financial Statements are an integral part of this statement.

GRUNDY COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 213,500	$ 229,824	$ 231,500	$ 242,233
Sales taxes	500,000	496,808	500,000	477,373
Intergovernmental	22,702	21,242	18,300	27,233
Charges for services	361,600	368,426	367,000	356,214
Interest	1,100	1,720	2,000	2,504
Other	98,790	118,611	120,100	82,297
Transfers in	248,000	248,000	48,000	40,000
Total Receipts	$ 1,445,692	$ 1,484,631	$ 1,286,900	$ 1,227,854
DISBURSEMENTS				
County Commission	$ 125,190	$ 114,818	$ 135,210	$ 130,493
County Clerk	96,710	81,999	102,622	92,884
Elections	30,880	32,926	67,350	43,471
Buildings and grounds	76,450	51,845	108,900	76,749
Employee fringe benefits	141,500	138,520	202,263	151,342
Collector/Treasurer	91,450	83,720	88,600	85,463
Circuit Clerk	49,652	33,497	50,265	39,702
Court administration	23,108	8,499	38,648	22,259
Public Administrator	50,925	47,173	53,215	49,454
Sheriff	390,228	355,565	378,640	346,580
Prosecuting Attorney	95,500	96,153	105,735	99,721
Juvenile Officer	73,158	34,097	74,098	43,585
Coroner	23,890	15,709	26,890	19,595
Other County Government	76,200	74,792	71,300	68,116
Transfers out	55,000	74,000	6,000	43,700
Emergency fund	43,400	11,908	38,700	-
Total Disbursements	$ 1,443,241	$ 1,255,221	$ 1,548,436	$ 1,313,114
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 2,451	$ 229,410	$ (261,536)	$ (85,260)
CASH AND INVESTMENTS, JANUARY 1	683,740	683,740	913,150	913,150
CASH AND INVESTMENTS, DECEMBER 31	$ 686,191	$ 913,150	$ 651,614	$ 827,890

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 62,000	$ 61,987	$ 62,000	$ 65,818	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	675,500	628,923	477,100	489,988	165,830	187,548	183,710	166,660
Charges for services	-	-	-	-	-	-	-	-
Interest	500	596	300	778	120	149	120	235
Other	15,000	5,314	5,000	3,860	5,505	1,006	8,000	1,647
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 753,000	$ 696,820	$ 544,400	$ 560,444	$ 171,455	$ 188,703	$ 191,830	$ 168,542
DISBURSEMENTS								
Salaries	$ 106,400	$ 98,571	$ 101,500	$ 82,081	$ 107,105	$ 103,914	$ 116,205	$ 113,408
Employee fringe benefits	33,400	26,769	38,300	23,448	28,885	28,032	26,723	22,246
Materials and supplies	277,260	282,890	183,400	165,247	14,440	14,515	15,000	11,180
Services and other	32,500	35,434	40,000	29,574	21,025	18,734	21,215	27,428
Capital outlay	15,500	500	10,000	2,523	-	-	-	-
Construction	433,500	347,382	238,500	213,528	-	-	-	-
Transfers out	24,000	24,000	24,000	18,000	-	-	-	-
Total Disbursements	$ 922,560	$ 815,546	$ 635,700	$ 534,401	$ 171,455	$ 165,195	$ 179,143	$ 174,262
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (169,560)	$ (118,726)	$ (91,300)	$ 26,043	$ -	$ 23,508	$ 12,687	$ (5,720)
CASH AND INVESTMENTS, JANUARY 1	402,681	402,681	283,955	283,955	37,929	37,929	61,437	61,437
CASH AND INVESTMENTS, DECEMBER 31	$ 233,121	$ 283,955	$ 192,655	$ 309,998	$ 37,929	$ 61,437	$ 74,124	$ 55,717

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	AMBULANCE FUND				LAW ENFORCEMENT CENTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	500,000	496,553	500,000	477,249	500,000	496,552	500,000	477,247
Intergovernmental	-	-	-	-	132,000	96,848	132,000	87,819
Charges for services	600,000	605,890	600,000	884,068	-	-	-	-
Interest	1,300	1,992	2,000	3,158	125	149	120	183
Other	3,200	3,865	5,500	19,112	10,000	9,999	4,715	4,867
Transfers in	-	-	-	-	50,000	71,000	-	41,723
Total Receipts	$ 1,104,500	$ 1,108,300	$ 1,107,500	$ 1,383,587	$ 692,125	$ 674,548	$ 636,835	$ 611,839
DISBURSEMENTS								
Salaries	$ 562,447	$ 530,713	$ 649,775	$ 685,506	$ 192,200	$ 208,147	$ 227,000	$ 227,733
Employee fringe benefits	90,282	81,266	107,780	89,287	45,000	38,573	49,550	42,747
Materials and supplies	73,700	77,137	83,700	91,439	6,175	5,002	6,175	4,358
Services and other	104,391	89,362	125,420	98,878	406,510	362,811	304,550	297,915
Capital outlay	135,667	136,415	80,000	69,959	42,000	59,818	43,000	44,897
Construction	-	-	-	-	-	-	-	-
Transfers out	274,000	274,000	68,000	68,000	-	-	-	-
Total Disbursements	$ 1,240,487	$ 1,188,893	$ 1,114,675	$ 1,103,069	$ 691,885	$ 674,351	$ 630,275	$ 617,650
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (135,987)	$ (80,593)	$ (7,175)	$ 280,518	$ 240	$ 197	$ 6,560	$ (5,811)
CASH AND INVESTMENTS, JANUARY 1	1,315,727	1,315,727	1,235,134	1,235,134	6,423	6,423	6,620	6,620
CASH AND INVESTMENTS, DECEMBER 31	$ 1,179,740	$ 1,235,134	$ 1,227,959	$ 1,515,652	$ 6,663	$ 6,620	$ 13,180	$ 809

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JUVENILE PROGRAMS FUND				JUVENILE RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	49,296	50,693	52,000	61,760	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	1,263	1,115	1,200	1,168	1,103	-	1,104	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 50,559	$ 51,808	$ 53,200	$ 62,928	$ 1,103	$ -	$ 1,104	$ -
DISBURSEMENTS								
Salaries	$ 11,040	$ 13,920	$ 18,000	$ 13,920	$ -	$ -	$ -	$ -
Employee fringe benefits	1,090	1,331	1,450	1,331	-	-	-	-
Materials and supplies	1,708	967	-	-	-	-	-	-
Services and other	28,253	32,821	41,000	42,508	1,000	-	1,000	-
Capital outlay	3,171	879	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 45,262	$ 49,918	$ 60,450	$ 57,759	$ 1,000	$ -	$ 1,000	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 5,297	$ 1,890	$ (7,250)	$ 5,169	$ 103	$ -	$ 104	$ -
CASH AND INVESTMENTS, JANUARY 1	17,914	17,914	19,804	19,804	1,104	1,104	1,104	1,104
CASH AND INVESTMENTS, DECEMBER 31	$ 23,211	$ 19,804	$ 12,554	$ 24,973	$ 1,207	$ 1,104	$ 1,208	$ 1,104

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LEPC FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,857	3,594	8,965	3,451	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	2	4	2	6	7	19	10	44
Other	-	-	-	-	10,000	17,406	14,000	16,955
Transfers in	5,000	3,000	4,000	4,000	-	-	-	-
Total Receipts	$ 9,859	$ 6,598	$ 12,967	$ 7,457	$ 10,007	$ 17,425	$ 14,010	$ 16,999
DISBURSEMENTS								
Salaries	$ 2,400	$ 2,400	$ 2,400	$ 2,400	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	875	166	700	12	-	-	-	-
Services and other	4,950	3,667	6,755	5,612	13,000	11,170	18,000	9,281
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 8,225	$ 6,233	$ 9,855	$ 8,024	$ 13,000	$ 11,170	$ 18,000	$ 9,281
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,634	$ 365	$ 3,112	$ (567)	$ (2,993)	$ 6,255	$ (3,990)	$ 7,718
CASH AND INVESTMENTS, JANUARY 1	4,376	4,376	4,741	4,741	7,772	7,772	14,027	14,027
CASH AND INVESTMENTS, DECEMBER 31	$ 6,010	$ 4,741	$ 7,853	$ 4,174	$ 4,779	$ 14,027	$ 10,037	$ 21,745

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORD PRESERVATION FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,000	3,197	3,000	3,274	350	323	300	255
Interest	2	5	3	8	5	5	5	8
Other	-	-	-	-	-	-	-	-
Transfers in	2,000	-	2,000	1,000	-	-	-	-
Total Receipts	$ 5,002	$ 3,202	$ 5,003	$ 4,282	$ 355	$ 328	$ 305	$ 263
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,000	1,574	3,000	3,448	1,000	764	1,200	500
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,000	$ 1,574	$ 3,000	$ 3,448	$ 1,000	$ 764	$ 1,200	$ 500
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 2,002	$ 1,628	$ 2,003	$ 834	$ (645)	$ (436)	$ (895)	$ (237)
CASH AND INVESTMENTS, JANUARY 1	1,697	1,697	3,325	3,325	3,767	3,767	3,331	3,331
CASH AND INVESTMENTS, DECEMBER 31	$ 3,699	$ 3,325	$ 5,328	$ 4,159	$ 3,122	$ 3,331	$ 2,436	$ 3,094

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,000	1,938	1,600	1,572	10,000	1,500	1,000	1,060
Interest	1	1	1	2	10	25	10	31
Other	-	-	-	-	-	-	-	100
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,001	$ 1,939	$ 1,601	$ 1,574	$ 10,010	$ 1,525	$ 1,010	$ 1,191
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	2,000	1,600	1,611	12,000	2,503	14,000	3,489
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,000	$ 2,000	$ 1,600	$ 1,611	$ 12,000	$ 2,503	$ 14,000	$ 3,489
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1	$ (61)	$ 1	$ (37)	$ (1,990)	$ (978)	$ (12,990)	$ (2,298)
CASH AND INVESTMENTS, JANUARY 1	686	686	625	625	15,162	15,162	14,184	14,184
CASH AND INVESTMENTS, DECEMBER 31	$ 687	$ 625	$ 626	$ 588	$ 13,172	$ 14,184	$ 1,194	$ 11,886

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				P.A. DELINQUENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,000	9,873	10,000	11,246	-	-	-	-
Interest	5	6	5	22	1	1	1	2
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 6,005	$ 9,879	$ 10,005	$ 11,268	$ 1	$ 1	$ 1	$ 2
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	9,000	8,825	12,000	2,400	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	3,023	-	-	-	-
Total Disbursements	$ 9,000	$ 8,825	$ 12,000	$ 5,423	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,995)	$ 1,054	$ (1,995)	$ 5,845	$ 1	$ 1	$ 1	$ 2
CASH AND INVESTMENTS, JANUARY 1	5,499	5,499	6,553	6,553	777	777	778	778
CASH AND INVESTMENTS, DECEMBER 31	$ 2,504	$ 6,553	$ 4,558	$ 12,398	$ 778	$ 778	$ 779	$ 780

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DEPUTY SALARY FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	25,000	21,870	22,468	18,246	18,500	11,762	10,000	13,243
Interest	-	-	-	-	15	31	30	48
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 25,000	$ 21,870	$ 22,468	$ 18,246	$ 18,515	$ 11,793	$ 10,030	$ 13,291
DISBURSEMENTS								
Salaries	$ 18,120	$ 16,539	$ 16,218	$ 14,444	$ 10,944	$ 9,229	$ 11,305	$ 10,300
Employee fringe benefits	1,500	1,265	1,250	1,105	825	697	990	873
Materials and supplies	-	-	-	-	200	177	200	133
Services and other	5,000	3,980	5,000	3,490	2,200	1,418	2,340	2,499
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 24,620	$ 21,784	$ 22,468	$ 19,039	$ 14,169	$ 11,521	$ 14,835	$ 13,805
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 380	$ 86	$ -	$ (793)	$ 4,346	$ 272	$ (4,805)	$ (514)
CASH AND INVESTMENTS, JANUARY 1	(1,541)	(1,541)	(1,455)	(1,455)	18,296	18,296	18,568	18,568
CASH AND INVESTMENTS, DECEMBER 31	$ (1,161)	$ (1,455)	$ (1,455)	$ (2,248)	$ 22,642	$ 18,568	$ 13,763	$ 18,054

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

GRUNDY COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,625	5,567	5,300	5,513	12,000	10,568	10,000	10,383
Interest	15	21	15	21	2	4	2	11
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,640	$ 5,588	$ 5,315	$ 5,534	$ 12,002	$ 10,572	$ 10,002	$ 10,394
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,100	408	1,600	680	14,000	9,810	12,750	11,024
Capital outlay	5,500	2,624	7,000	7,613	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,600	$ 3,032	$ 8,600	$ 8,293	$ 14,000	$ 9,810	$ 12,750	$ 11,024
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (4,960)	$ 2,556	$ (3,285)	$ (2,759)	$ (1,998)	$ 762	$ (2,748)	$ (630)
CASH AND INVESTMENTS, JANUARY 1	11,820	11,820	14,376	14,376	2,052	2,052	2,814	2,814
CASH AND INVESTMENTS, DECEMBER 31	$ 6,860	$ 14,376	$ 11,091	$ 11,617	$ 54	$ 2,814	$ 66	$ 2,184

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S TECHNOLOGY FUND				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,600	1,697	1,600	1,845	500	582	500	483
Interest	6	6	5	4	-	-	-	1
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,606	$ 1,703	$ 1,605	$ 1,849	$ 500	$ 582	$ 500	$ 484
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,500	3,486	3,000	3,000	500	491	500	507
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,500	$ 3,486	$ 3,000	$ 3,000	$ 500	$ 491	$ 500	$ 507
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,894)	$ (1,783)	$ (1,395)	$ (1,151)	$ -	$ 91	$ -	$ (23)
CASH AND INVESTMENTS, JANUARY 1	3,957	3,957	2,174	2,174	67	67	158	158
CASH AND INVESTMENTS, DECEMBER 31	$ 2,063	$ 2,174	$ 779	$ 1,023	$ 67	$ 158	$ 158	$ 135

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	100,000	91,604	90,000	91,212	15,000	20,158	17,000	19,061
Interest	30	98	40	148	20	36	50	68
Other	-	-	-	-	-	-	-	-
Transfers in	50,000	50,000	100,000	50,000	-	-	-	-
Total Receipts	$ 150,030	$ 141,702	$ 190,040	$ 141,360	$ 15,020	$ 20,194	$ 17,050	$ 19,129
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	60,000	50,054	3,500	977	3,500	1,936
Services and other	122,000	115,425	62,000	60,725	11,750	5,581	16,800	5,220
Capital outlay	3,900	13,599	54,600	15,192	5,500	5,255	5,500	3,896
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 125,900	$ 129,024	$ 176,600	$ 125,971	$ 20,750	$ 11,813	$ 25,800	$ 11,052
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 24,130	$ 12,678	$ 13,440	$ 15,389	$ (5,730)	$ 8,381	$ (8,750)	$ 8,077
CASH AND INVESTMENTS, JANUARY 1	26,837	26,837	39,515	39,515	12,764	12,764	21,145	21,145
CASH AND INVESTMENTS, DECEMBER 31	$ 50,967	$ 39,515	$ 52,955	$ 54,904	$ 7,034	$ 21,145	$ 12,395	$ 29,222

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRUG COURT LOCAL FUND				CEMETERIES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	26,056	21,478	20,400	22,621	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	3,200	2,536	2,500	2,585
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 26,056	$ 21,478	$ 20,400	$ 22,621	$ 3,200	$ 2,536	$ 2,500	$ 2,585
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	26,056	24,245	20,400	23,578	5,000	2,705	5,000	4,775
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	150,000	-	-
Total Disbursements	$ 26,056	$ 24,245	$ 20,400	$ 23,578	$ 5,000	$ 152,705	$ 5,000	$ 4,775
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ (2,767)	$ -	$ (957)	$ (1,800)	$ (150,169)	$ (2,500)	$ (2,190)
CASH AND INVESTMENTS, JANUARY 1	32,584	32,584	29,817	29,817	224,956	224,956	74,787	74,787
CASH AND INVESTMENTS, DECEMBER 31	$ 32,584	$ 29,817	$ 29,817	$ 28,860	$ 223,156	$ 74,787	$ 72,287	$ 72,597

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-14

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FRED FITCH TRUST FUND				CRIPPLED CHILDREN TRUST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,800	2,172	2,000	2,093	140	149	40	162
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,800	$ 2,172	$ 2,000	$ 2,093	$ 140	$ 149	$ 40	$ 162
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,450	417	4,400	400	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	131,423	-	4,000	-	7,000	-	-
Total Disbursements	$ 2,450	$ 131,840	$ 4,400	$ 4,400	$ -	$ 7,000	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (650)	$ (129,668)	$ (2,400)	$ (2,307)	$ 140	$ (6,851)	$ 40	$ 162
CASH AND INVESTMENTS, JANUARY 1	137,413	137,413	7,745	7,745	14,008	14,008	7,157	7,157
CASH AND INVESTMENTS, DECEMBER 31	$ 136,763	$ 7,745	$ 5,345	$ 5,438	$ 14,148	$ 7,157	$ 7,197	$ 7,319

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CEMETERY CD's FUND				FRED FITCH TRUST CD's FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	150,000	-	-	-	131,423	-	-
Total Receipts	$ -	$ 150,000	$ -	$ -	$ -	$ 131,423	$ -	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 150,000	$ -	$ -	$ -	$ 131,423	$ -	$ -
CASH AND INVESTMENTS, JANUARY 1	-	-	150,000	150,000	-	-	131,423	131,423
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ 150,000	$ 150,000	$ 150,000	$ -	$ 131,423	$ 131,423	$ 131,423

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CRIPPLED CHILDREN TRUST CD's FUND				SENIOR CITIZENS TAX BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 55,471	$ 61,991	$ -	$ 60,880
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	7,000	-	-	-	-	-	-
Total Receipts	$ -	$ 7,000	$ -	$ -	$ 55,471	$ 61,991	$ -	$ 60,880
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	54,922	61,813	-	62,271
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ -	$ -	$ 54,922	$ 61,813	$ -	$ 62,271
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 7,000	$ -	$ -	$ 549	$ 178	$ -	$ (1,391)
CASH AND INVESTMENTS, JANUARY 1	-	-	7,000	7,000	10,487	10,487	10,665	10,665
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ 7,000	$ 7,000	$ 7,000	$ 11,036	$ 10,665	$ 10,665	$ 9,274

The accompanying Notes to the Financial Statements are an integral part of these statements.

GRUNDY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40 BOARD FUND			
	Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 100,000	$ 124,143	$ 100,000	$ 122,511
Sales taxes	-	-	-	-
Intergovernmental	18,200	12,382	15,200	13,949
Charges for services	-	-	-	-
Interest	4,125	3,578	2,625	3,903
Other	4,000	9,016	5,000	6,079
Transfers in	-	-		-
Total Receipts	$ 126,325	$ 149,119	$ 122,825	$ 146,442
DISBURSEMENTS				
Salaries	$ 35,000	$ 32,526	$ 37,000	$ 38,167
Employee fringe benefits	10,000	3,044	10,500	5,593
Materials and supplies	9,000	5,554	9,000	6,585
Services and other	121,975	93,249	124,325	94,452
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	$ 175,975	$ 134,373	$ 180,825	$ 144,797
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (49,650)	$ 14,746	$ (58,000)	$ 1,645
CASH AND INVESTMENTS, JANUARY 1	309,307	309,307	324,053	324,053
CASH AND INVESTMENTS, DECEMBER 31	$ 259,657	$ 324,053	$ 266,053	$ 325,698

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

GRUNDY COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Cash Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Cash Equivalents December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Cash Equivalents December 31, 2018
Treasurer School	$ 20,943	$ 74,679	$ 85,629	$ 9,993	$ 49,832	$ 50,097	$ 9,728
Treasurer School Overplus	1,456	2	1,458	-	987	-	987
Treasurer Unclaimed Fees	204	-	-	204	22	-	226
Treasurer Undistributed	20,521	73,782	69,099	25,204	66,604	70,279	21,529
Treasurer Marion TWP Road Bond	7,803	5,733	6,301	7,235	5,274	6,301	6,208
Treasurer Jackson TWP Road Bond	14,594	14,452	12,424	16,622	12,449	12,424	16,647
Treasurer CERF	-	54,234	54,234	-	74,894	74,894	-
Treasurer Task Force Seizures	296,615	-	69,901	226,714	177,021	94,171	309,564
Treasurer's Ambulance Classic Checking	-	413,160	413,160	-	581,405	581,405	-
Collector's Now Checking	7,074,131	9,772,852	9,578,656	7,268,327	9,738,694	9,449,121	7,557,900
Collector's Payment Plan	1,929	1,740	2,302	1,367	4,040	3,144	2,263
Prosecuting Attorney	4,177	66,586	70,606	157	50,468	50,742	(117)
Recorder	1,295	49,761	47,324	3,732	57,042	56,539	4,235
Sheriff's Account	1,468	86,384	86,957	895	119,500	119,544	851
Sheriff Inmate (Commissary)	4,179	29,040	28,224	4,995	49,668	45,730	8,933
Public Administrator	70,713	539,100	516,741	93,072	616,971	580,016	130,027
Total	$ 7,520,028	$ 11,181,505	$ 11,043,016	$ 7,658,517	$ 11,604,871	$ 11,194,407	$ 8,068,981

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grundy County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, Circuit Clerk/Recorder, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Grundy County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector/Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. However, the County budgeted a deficit ending fund balance for the Deputy Salary Fund in 2017 and 2018.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law. However, the Senior Citizens Tax Board could not provide a copy of their approved budget for 2018.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2018	2017
Juvenile Programs	N/A	✓
Record Preservation	✓	N/A
Law Enforcement Training	✓	N/A
Victims of Domestic Violence	✓	N/A
911	N/A	✓
Drug Court Local	✓	N/A
Senior Citizens Tax Board	N/A	✓

The disbursements reported in 2017 for the Crippled Children Trust Fund and Cemeteries Fund, and $131,423 of the disbursements reported in the Fred Fitch Trust Fund were the result of balance transfer adjustments to recognize the creation of the new Crippled Children Trust CD's and Fred Fitch Trust CD's Funds and were not the result of actual cash disbursed. Therefore, we do not consider the County to have exceeded budgetary authority for these funds. The expenditures of the Senior Citizens Tax Board in 2018 exceeded budgetary authority to the extent that a copy of the approved budget could not be provided.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	2018	2017
Real Estate	$ 74,507,346	$ 73,692,206
Personal Property	35,571,635	36,011,060
Railroad and Utilities	22,456,258	21,933,874
Total	$ 132,535,239	$ 131,637,140

For calendar years 2018 and 2017, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018	2017
General Revenue	$ 0.2374	$ 0.1846
Senate Bill 40 Board	0.0976	0.0969
Senior Citizens Tax Board	0.0488	0.0485

In addition to the levies above, the Special Road & Bridge Fund receives 5% of property tax amounts collected on behalf of township road districts within the County.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County’s deposits were $3,647,467 and $3,408,710, respectively, and the bank balances were $3,765,901 and $3,492,242, respectively. Of the bank balances, $606,608 and $579,860 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the

carrying amounts of the County's custodial funds were $8,068,981 and $7,658,517, respectively, and the bank balances were $5,176,744 and $5,215,124, respectively. Of the bank balances, $402,176 and $356,543 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. The County has elected not to make contributions on behalf of employees. During 2018 and 2017, the County collected and remitted to CERF employee withholdings and fees collected of $74,894 and $54,234, respectively, for the years then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $3,366 and $3,366, respectively, for the years ended December 31, 2018 and 2017.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with four hours per calendar month worked of compensated personal leave, up to a maximum of 360 hours. Ambulance employees earn six hours per calendar month worked of personal leave. Full-time employees may receive compensation for 50% of accrued personal leave upon termination of employment. Vacation time is accrued for every full-time employee beginning with the second year of employment at a rate of one to four weeks per year based on length of employment. Any days not used by the end of the year will be lost. Hourly personnel working in the Grundy County Detention Center may carry over no more than 12 hours vacation. Upon separation due to resignation, death, or termination, an employee may receive compensation for unused accrued vacation leave.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

A. During 2006, Certificates of Participation (COPS) in the amount of $4,995,000 were issued by First Bank of Missouri on behalf of the County for the construction of a new law enforcement facility. During 2016, the County refinanced the debt by paying off the Series 2006 COPS and issuing new COPS in the amount of $3,465,000. Under the new COPS, the County makes semi-annual interest payments on June 1 and December 1 of each year, with annual principal payments on December 1. The interest rate varies between .8% and 2.7%. Future payments on the COPS are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 230,000	$ 60,588	$ 290,588
2020	230,000	57,943	287,943
2021	235,000	54,953	289,953
2022	240,000	51,427	291,427
2023	240,000	47,348	287,348
2024-2028	1,285,000	161,872	1,446,872
2029-2030	555,000	22,133	577,133
Totals	$ 3,015,000	$ 456,264	$ 3,471,264

B. In October 2018, the County entered into a $200,430, five-year capital lease for a 2018 John Deere Excavator. The lease calls for annual payments of $43,736 beginning in March 2019, with an interest rate of 3.8%. In December 2018, the County made a payment of $50,000 toward the principal of the lease. Per the bank, this amount will be held towards the last payment and does not affect interest or the payment schedule.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 40,919	$ 2,817	$ 43,736
2020	37,675	6,061	43,736
2021	39,107	4,629	43,736
2022	32,729	3,144	35,873
2023	-	1,601	1,601
Totals	$ 150,430	$ 18,252	$ 168,682

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Series 2016 COPS	$3,465,000	$ -	$(225,000)	$3,240,000	$ 64,638

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
Series 2016 COPS	$ 3,240,000	$ -	$(225,000)	$ 3,015,000	$ 62,838
2018 JD Excavator	-	200,430	(50,000)	150,430	-

8. PRIOR YEAR RESTATEMENTS

The balances of the General Revenue Fund and the Ambulance Fund at January 1, 2017 have been restated by $10,000. This had the effect of increasing the General Revenue Fund from $673,740 to $683,340 and decreasing the Ambulance Fund from $1,325,727 to 1,315,727.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 9, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Grundy County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Grundy County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Grundy County, Missouri's basic financial statements and have issued our report thereon dated August 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grundy County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grundy County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Grundy County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grundy County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2018-001.

Grundy County, Missouri's Response to Finding

Grundy County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Grundy County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2019

FINDINGS AND RECOMMENDATIONS

GRUNDY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2018-001: Budgetary Compliance

Criteria: State statute prohibits the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. The County budgets and published financial statements should present a complete and accurate picture of the County's financial position. Additionally, state law requires, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

Condition: Actual expenditures exceeded budgeted expenditures for three funds in 2017 and four funds in 2018. The detailed list of funds can be found in Note 1.D.10 to the financial statements.

Additionally, the County budgeted for a deficit fund balance for the Deputy Salary Fund in 2017 and 2018.

Cause: Budgets were not amended to approve expenditures in excess of budgeted amounts. The Deputy Salary Fund is a reimbursement fund which is negative until the County receives reimbursement from the state for salaries paid to Sheriff deputies.

Effect: Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County ensure compliance with state statutes by refraining from approving expenditures in excess of budgeted amounts and budgeting expenditures in excess of beginning balances plus anticipated revenues. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: The County is trying to stay in compliance and follow State Statutes to their understanding and belief. Questions have been asked to auditors in the past to make sure we do understand and follow them correctly (amending budgets). The deficit in the Deputy Salary Fund cannot be corrected with county money. The deficit is due to paying in December and not being reimbursed by the State until January of the new budget year. As for the budgeting of fund balance plus expected revenues and budgeting all as expenditures – those are funds controlled mostly by the Sheriff's and Prosecuting Attorney's offices without County control. We will advise them to be more

realistic with their budgeting of those funds. As for the over budget amounts, we will work harder at watching balances closer. We do quarterly reports to all departments and will advise the departments to pay closer attention to their budgets and balances.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2018, we considered Grundy County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 9, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Bank Reconciliations

The bank reconciliation for the Sheriff Inmate (Commissary) account at December 31, 2017 listed a total of $644 in outstanding checks from years 2014 to 2016. The bank reconciliation for the Inmate Security account at December 31, 2018 listed a total of $746 in outstanding checks from years 2014 to 2017.

The bank reconciliation for the Prosecuting Attorney account at December 31, 2017 listed three checks that were outstanding more than 120 days totaling $841. The bank reconciliation for the Prosecuting Attorney account at December 31, 2018 listed 17 checks that were outstanding more than 120 days totaling $1,496. In addition, the reconciliations performed on the Prosecuting Attorney account during the audit period were inaccurate due to the system showing an incorrect beginning bank balance on the reconciliation. As a result, the account had a negative book balance of $117 as of December 31, 2018.

We recommend that the County implement procedures to ensure that stale outstanding checks are followed up with in a timely manner and removed from the bank reconciliation when it becomes apparent that checks will not be cashed. Checks that have remained unclaimed for more than three years are deemed abandoned and are required to be turned over immediately to the State Treasurer pursuant to state statutes. We also recommend that the Prosecuting Attorney ensure that bank reconciliations are accurate and properly reconciled between book and bank balance and that any issues are addressed in a timely manner.

Senior Citizens Tax Board Documentation

The Senior Citizens Tax Board approved budgets for 2018 and 2019 could not be provided as well as bank statements, reconciliations and board minutes for 2018. The Senior Citizens Tax Board Treasurer indicated that she had recently moved and could not locate the documents. We did obtain bank statements for 2018 to review fund activity.

We recommend the Senior Citizens Tax Board implement procedures to ensure that financial documents are kept in a safe and secure location to support the financial transactions, approved budgets, and meeting minutes of the Board.

Credit Card Use

A Sheriff fuel credit card statement for May 2017 that we selected for testing indicated the County paid $29 in late fees and $11 in interest. We recommend the County implement procedures to ensure expenses of the County are paid in a timely manner, to ensure proper use of taxpayer funds.

GRUNDY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Grundy County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2016 and 2015.

1. The Senior Citizens Tax Board does not perform bank reconciliations every month.

   Status: Resolved. Bank reconciliations were implemented as a result of our prior audit recommendation in 2017, however, the reconciliations for 2018 could not be located. See discussion in Other Matters section.

2. The County did not adopt a formal budget for the Fred Fitch Trust Fund or Crippled Children Trust Fund in 2015. Actual expenditures exceeded budgeted expenditures for 10 funds in 2015 and three funds in 2016. The County budgeted a deficit fund balance for the Deputy Salary Fund in 2015 and 2016. The County had an actual deficit fund balance for the Deputy Salary Fund in 2015 and 2016.

   Status: Partially resolved. See finding 2018-001.

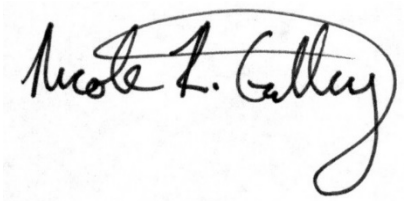
3. The Senate Bill 40 Board held deposits at Farmers Bank of Northern Missouri in excess of FDIC deposit insurance that were not adequately covered by pledged collateral at December 31, 2016 and 2015.

   Status: Resolved.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ray County, Missouri

The Office of the State Auditor contracted for an audit of Ray County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-097

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Ray County

2018-001 Lack of Properly Performed Bank Reconciliations	All offices within the County prepare proper monthly bank reconciliations and make adjustments to the cash accounts.
2018-002 Sheriff's Department Internal Controls	The Sheriff improve the segregation of duties and internal controls within the Sheriff's office, thereby reducing the chance that errors and other problems will occur. Additionally, the Sheriff should increase his oversight of the activities of this employee.
2018-003 Budgetary Compliance	The County ensure compliance with state statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.
2018-004 Lack of Investment Policy	The County adopt an investment policy and review compliance with this policy at least annually as required by state statute.
2018-005 Sheriff Fee Turnover and Reimbursement Requests	The Sheriff's office implement procedures to ensure fees and other monies payable to the County are submitted monthly and adequate reports are provided to support the amount of funds turned over. Additionally, we recommend implementing procedures to ensure expenditure reimbursement requests are timely submitted to the proper agencies to ensure the General Revenue Fund is timely reimbursed for expenditures paid out of the fund.

ANNUAL FINANCIAL REPORT

RAY COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

RAY COUNTY, MISSOURI

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INTRODUCTORY SECTION

RAY COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Gary Wilhite

Eastern Commissioner – Allen Dale

Western Commissioner – Jerry Bishop

Other Elected Officials

Assessor – Kent Wollard

Circuit Clerk – Carolyne Conner

Collector – Julie Chowning

County Clerk – Glenda Powell

Coroner – Bartley J. Willim

Prosecuting Attorney – Camille Johnston

Public Administrator – Shannon Wollard

Recorder – Shirley O'Dell

Sheriff – Garry Bush

Treasurer – Melissa Holloway

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Ray County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Ray County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Ray County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Ray County, Missouri, as of December 31, 2017 and 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Ray County, Missouri, as of December 31, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 13, 2019, on our consideration of Ray County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ray County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 13, 2019

Exhibit A

RAY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
General Revenue	$ 16,709	$ 3,474,644	$ 3,450,239	$ 41,114	$ 3,694,747	$ 3,709,992	$ 25,869
Special Road & Bridge	77,215	2,714,305	2,704,891	86,629	2,753,776	2,621,850	218,555
Assessment	294,223	367,566	364,056	297,733	395,198	354,102	338,829
Noxious Weeds	276,453	1,699	37,456	240,696	52,743	215,336	78,103
Domestic Violence	3,590	4,428	4,455	3,563	4,382	4,492	3,453
Recorder	8,207	12,616	13,875	6,948	12,484	10,264	9,168
Emergency Management	1,091	6	-	1,097	5,649	6,746	-
Prosecuting Attorney Training	1,352	671	1,764	259	669	250	678
Prosecuting Attorney Delinquent Tax	8,505	1,010	9,077	438	2,691	2,646	483
Sheriff Extradition	100	3,239	2,707	632	1,182	1,814	-
Sheriff Training	1,238	7,689	5,516	3,411	2,430	877	4,964
Sheriff's Revolving	63,102	6,109	28,618	40,593	10,415	24,943	26,065
Sheriff Post Certified Training	1,361	1,276	2,635	2	1,274	1,276	-
County Law Enforcement	36,882	27,803	-	64,685	23,639	17,622	70,702
Inmate Prisoner Detainee	25,559	30,317	28,240	27,636	33,903	3,540	57,999
Tax Maintenance	28,305	43,838	49,753	22,390	43,728	34,552	31,566
Sheriff Account	8,412	25,562	24,595	9,379	25,700	24,081	10,998
Administrative Handling Cost	9,061	4,635	12,409	1,287	8,539	8,738	1,088
Ray County CDBG	-	222,219	222,219	-	-	-	-
911 Emergency Services Board	-	-	-	160,475	602,981	652,492	110,964
Senior Services Board	259,631	154,833	128,113	286,351	170,135	155,441	301,045
Election 5%	20,633	3,918	5,633	18,918	6,066	16,751	8,233
Building and Grounds Capital Improvement	-	38,080	114	37,966	270,325	201,234	107,057
Total	$ 1,141,629	$ 7,146,463	$ 7,096,365	$ 1,352,202	$ 8,122,656	$ 8,069,039	$ 1,405,819
2017 911 Emergency Services Board (not covered by auditor's report - See Note 11)	*140,855*	*559,221*	*539,601*	-	-	-	-
Total - Not Covered by Auditor's Report	$ 1,282,484	$ 7,705,684	$ 7,635,966	$ 1,352,202	$ 8,122,656	$ 8,069,039	$ 1,405,819

The accompanying Notes to the Financial Statements are an integral part of this statement.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	2,023,094	2,084,946	2,152,063	2,044,002
Intergovernmental	171,918	141,502	119,972	86,927
Charges for services	1,085,523	1,156,746	1,094,845	1,090,817
Interest	980	285	150	249
Other	55,797	56,665	110,278	140,547
Transfers in	11,000	34,500	11,000	332,205
Total Receipts	$ 3,348,312	$ 3,474,644	$ 3,488,308	$ 3,694,747
DISBURSEMENTS				
County Commission	$ 172,041	$ 174,140	$ 145,664	$ 151,371
County Clerk	121,859	113,880	112,283	110,559
Treasurer	59,875	56,418	62,110	55,964
Circuit Clerk	61,814	41,135	72,791	62,102
Sheriff	616,060	610,654	639,380	646,265
Collector	171,298	167,524	175,283	170,892
Prosecuting Attorney	385,357	382,602	420,607	401,551
Recorder	119,382	119,069	125,285	125,757
Janitor	60,025	59,131	60,579	56,602
Coroner	32,348	26,687	31,314	36,315
Juvenile	60,550	60,001	54,050	61,380
Election	64,074	61,400	131,578	114,269
Planning & zoning	47,656	47,940	51,451	49,180
Circuit Judge	7,520	3,977	4,700	2,245
911 Dist Money	153,500	153,500	-	-
Court reporter	890	689	1,000	350
Jail	798,767	925,687	826,962	1,026,473
Buildings and grounds	90,993	137,016	115,200	102,008
Insurance & Bonds	120,006	136,054	151,800	215,571
Legal publications	300	294	500	213
Other expense	10,420	10,449	10,605	10,635
Public Administrator	95,686	97,177	105,641	102,215
Historical society	6,000	6,000	6,000	6,000
Jury script	5,000	2,435	5,000	2,189
Loan proceeds	75,000	25,465	8,005	7,512
Sales Tax	-	-	-	493
Public Defender	7,000	8,004	-	-
PA retirement	3,085	2,911	3,366	3,366
Transfers out	-	20,000	153,500	188,515
Total Disbursements	$ 3,346,506	$ 3,450,239	$ 3,474,654	$ 3,709,992
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,806	$ 24,405	$ 13,654	$ (15,245)
CASH AND INVESTMENTS, JANUARY 1	16,709	16,709	41,114	41,114
CASH AND INVESTMENTS, DECEMBER 31	$ 18,515	$ 41,114	$ 54,768	$ 25,869

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 600,000	$ 595,935	$ 600,000	$ 646,338	$ -	$ -	$ -	$ -
Sales taxes	850,000	911,266	885,000	880,614	-	-	-	-
Intergovernmental	1,298,645	1,189,683	1,908,328	1,114,872	354,200	349,127	352,354	375,259
Charges for services	-	-	-	-	20,970	16,400	52,706	16,933
Interest	1,095	1,238	1,095	2,956	1,000	1,884	1,790	2,593
Other	14,500	16,183	21,280	108,996	-	155	-	413
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,764,240	$ 2,714,305	$ 3,415,703	$ 2,753,776	$ 376,170	$ 367,566	$ 406,850	$ 395,198
DISBURSEMENTS								
Salaries	$ 567,663	$ 583,152	$ 631,266	$ 547,465	$ 214,740	$ 200,782	$ 215,420	$ 206,634
Employee fringe benefits	86,613	77,829	95,376	79,678	71,280	64,861	89,810	71,955
Materials and supplies	497,400	690,388	808,180	698,790	14,100	15,951	13,900	8,860
Services and other	610,667	652,228	648,292	708,510	31,100	47,851	87,720	66,653
Capital outlay	253,045	287,691	274,565	294,998	44,950	34,611	-	-
Construction	748,000	413,603	958,000	157,164	-	-	-	-
Transfers out	-	-	-	135,245	-	-	-	-
Total Disbursements	$ 2,763,388	$ 2,704,891	$ 3,415,679	$ 2,621,850	$ 376,170	$ 364,056	$ 406,850	$ 354,102
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 852	$ 9,414	$ 24	$ 131,926	$ -	$ 3,510	$ -	$ 41,096
CASH AND INVESTMENTS, JANUARY 1	77,215	77,215	86,629	86,629	294,223	294,223	297,733	297,733
CASH AND INVESTMENTS, DECEMBER 31	$ 78,067	$ 86,629	$ 86,653	$ 218,555	$ 294,223	$ 297,733	$ 297,733	$ 338,829

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	NOXIOUS WEEDS FUND				DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ 287	$ 200	$ 14,963	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	26	3,300	4,408	4,300	4,361
Interest	525	1,365	1,200	1,394	-	20	10	21
Other	-	47	-	1,345	-	-	-	-
Transfers in	-	-	-	35,015	-	-	-	-
Total Receipts	$ 525	$ 1,699	$ 1,400	$ 52,743	$ 3,300	$ 4,428	$ 4,310	$ 4,382
DISBURSEMENTS								
Salaries	$ 36,000	$ 21,285	$ 30,000	$ 15,848	$ -	$ -	$ -	$ -
Employee fringe benefits	2,754	1,628	2,345	1,093	-	-	-	-
Materials and supplies	6,000	10,135	8,000	9,447	-	-	-	-
Services and other	2,500	4,408	4,500	3,948	4,900	4,455	4,400	4,492
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	185,000	-	-	-	-
Total Disbursements	$ 47,254	$ 37,456	$ 44,845	$ 215,336	$ 4,900	$ 4,455	$ 4,400	$ 4,492
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (46,729)	$ (35,757)	$ (43,445)	$ (162,593)	$ (1,600)	$ (27)	$ (90)	$ (110)
CASH AND INVESTMENTS, JANUARY 1	276,453	276,453	240,696	240,696	3,590	3,590	3,563	3,563
CASH AND INVESTMENTS, DECEMBER 31	$ 229,724	$ 240,696	$ 197,251	$ 78,103	$ 1,990	$ 3,563	$ 3,473	$ 3,453

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER FUND				EMERGENCY MANAGEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	5,648
Charges for services	12,500	12,583	12,000	12,445	-	-	-	-
Interest	-	33	-	39	-	6	-	1
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 12,500	$ 12,616	$ 12,000	$ 12,484	$ -	$ 6	$ -	$ 5,649
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	13,000	13,875	13,000	10,264	-	-	1,097	6,746
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 13,000	$ 13,875	$ 13,000	$ 10,264	$ -	$ -	$ 1,097	$ 6,746
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (500)	$ (1,259)	$ (1,000)	$ 2,220	$ -	$ 6	$ (1,097)	$ (1,097)
CASH AND INVESTMENTS, JANUARY 1	8,207	8,207	6,948	6,948	1,091	1,091	1,097	1,097
CASH AND INVESTMENTS, DECEMBER 31	$ 7,707	$ 6,948	$ 5,948	$ 9,168	$ 1,091	$ 1,097	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,500	991	2,000	2,685
Charges for services	700	668	670	598	-	-	-	-
Interest	-	3	-	3	15	19	-	6
Other	-	-	-	68	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 700	$ 671	$ 670	$ 669	$ 1,515	$ 1,010	$ 2,000	$ 2,691
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,884	1,764	929	250	9,346	9,077	2,436	2,646
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,884	$ 1,764	$ 929	$ 250	$ 9,346	$ 9,077	$ 2,436	$ 2,646
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,184)	$ (1,093)	$ (259)	$ 419	$ (7,831)	$ (8,067)	$ (436)	$ 45
CASH AND INVESTMENTS, JANUARY 1	1,352	1,352	259	259	8,505	8,505	438	438
CASH AND INVESTMENTS, DECEMBER 31	$ 168	$ 259	$ -	$ 678	$ 674	$ 438	$ 2	$ 483

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF EXTRADITION FUND				SHERIFF TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,000	3,233	3,200	1,179	5,830	7,673	2,500	2,401
Interest	-	6	-	3	-	16	-	29
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,000	$ 3,239	$ 3,200	$ 1,182	$ 5,830	$ 7,689	$ 2,500	$ 2,430
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,100	2,707	3,000	1,814	7,063	5,516	3,000	877
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,100	$ 2,707	$ 3,000	$ 1,814	$ 7,063	$ 5,516	$ 3,000	$ 877
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (100)	$ 532	$ 200	$ (632)	$ (1,233)	$ 2,173	$ (500)	$ 1,553
CASH AND INVESTMENTS, JANUARY 1	100	100	632	632	1,238	1,238	3,411	3,411
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ 632	$ 832	$ -	$ 5	$ 3,411	$ 2,911	$ 4,964

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				SHERIFF POST CERTIFIED TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	35,000	5,855	5,000	10,220	1,300	1,276	1,300	1,273
Interest	-	254	-	195	-	-	-	1
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 35,000	$ 6,109	$ 5,000	$ 10,415	$ 1,300	$ 1,276	$ 1,300	$ 1,274
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	30,000	28,618	30,000	24,943	2,000	2,635	1,302	1,276
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 30,000	$ 28,618	$ 30,000	$ 24,943	$ 2,000	$ 2,635	$ 1,302	$ 1,276
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 5,000	$ (22,509)	$ (25,000)	$ (14,528)	$ (700)	$ (1,359)	$ (2)	$ (2)
CASH AND INVESTMENTS, JANUARY 1	63,102	63,102	40,593	40,593	1,361	1,361	2	2
CASH AND INVESTMENTS, DECEMBER 31	$ 68,102	$ 40,593	$ 15,593	$ 26,065	$ 661	$ 2	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY LAW ENFORCEMENT FUND				INMATE PRISONER DETAINEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	25,000	27,481	25,000	23,128	21,000	30,154	30,000	33,549
Interest	-	322	-	511	2,300	163	-	354
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 25,000	$ 27,803	$ 25,000	$ 23,639	$ 23,300	$ 30,317	$ 30,000	$ 33,903
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	15,000	-	75,000	17,622	39,000	28,240	25,000	3,540
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 15,000	$ -	$ 75,000	$ 17,622	$ 39,000	$ 28,240	$ 25,000	$ 3,540
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 10,000	$ 27,803	$ (50,000)	$ 6,017	$ (15,700)	$ 2,077	$ 5,000	$ 30,363
CASH AND INVESTMENTS, JANUARY 1	36,882	36,882	64,685	64,685	25,559	25,559	27,636	27,636
CASH AND INVESTMENTS, DECEMBER 31	$ 46,882	$ 64,685	$ 14,685	$ 70,702	$ 9,859	$ 27,636	$ 32,636	$ 57,999

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				SHERIFF ACCOUNT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	40,000	43,838	44,700	43,728	25,000	25,562	25,000	25,700
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 40,000	$ 43,838	$ 44,700	$ 43,728	$ 25,000	$ 25,562	$ 25,000	$ 25,700
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	10,000	5,382	7,500	6,123	-	-	-	-
Services and other	21,650	18,782	26,708	16,469	32,000	24,595	32,000	24,081
Capital outlay	12,200	11,089	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	14,500	14,500	11,000	11,960	-	-	-	-
Total Disbursements	$ 58,350	$ 49,753	$ 45,208	$ 34,552	$ 32,000	$ 24,595	$ 32,000	$ 24,081
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (18,350)	$ (5,915)	$ (508)	$ 9,176	$ (7,000)	$ 967	$ (7,000)	$ 1,619
CASH AND INVESTMENTS, JANUARY 1	28,305	28,305	22,390	22,390	8,412	8,412	9,379	9,379
CASH AND INVESTMENTS, DECEMBER 31	$ 9,955	$ 22,390	$ 21,882	$ 31,566	$ 1,412	$ 9,379	$ 2,379	$ 10,998

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATIVE HANDLING COST FUND				RAY COUNTY CDBG FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	197,000	222,219	2,201	-
Charges for services	7,500	4,635	14,000	8,539	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 7,500	$ 4,635	$ 14,000	$ 8,539	$ 197,000	$ 222,219	$ 2,201	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	16,500	12,409	14,000	8,738	197,000	222,219	2,201	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 16,500	$ 12,409	$ 14,000	$ 8,738	$ 197,000	$ 222,219	$ 2,201	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9,000)	$ (7,774)	$ -	$ (199)	$ -	$ -	$ -	$ -
CASH AND INVESTMENTS, JANUARY 1	9,061	9,061	1,287	1,287	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	$ 61	$ 1,287	$ 1,287	$ 1,088	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 EMERGENCY SERVICES BOARD FUND				SENIOR SERVICES BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017*		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 150,000	$ 153,693	$ 158,000	$ 168,342
Sales taxes	-	-	-	121,571	-	-	-	-
Intergovernmental	-	-	396,500	327,682	-	-	-	18
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	150	188	-	1,140	-	1,275
Other	-	-	-	40	-	-	-	500
Transfers in	-	-	153,500	153,500	-	-	-	-
Total Receipts	$ -	$ -	$ 550,150	$ 602,981	$ 150,000	$ 154,833	$ 158,000	$ 170,135
DISBURSEMENTS								
Salaries	$ -	$ -	$ 358,500	$ 362,058	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	60,900	66,614	-	-	-	-
Materials and supplies	-	-	49,881	45,586	1,000	960	1,000	880
Services and other	-	-	175,519	178,234	178,978	127,153	157,000	154,561
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ 644,800	$ 652,492	$ 179,978	$ 128,113	$ 158,000	$ 155,441
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ (94,650)	$ (49,511)	$ (29,978)	$ 26,720	$ -	$ 14,694
CASH AND INVESTMENTS, JANUARY 1	-	-	160,475	160,475	259,631	259,631	286,351	286,351
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ -	$ 65,825	$ 110,964	$ 229,653	$ 286,351	$ 286,351	$ 301,045

* The 2017 financial statements of the 911 Emergency Services Board were separately audited.

The accompanying Notes to the Financial Statements are an integral part of these statements.

RAY COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION 5% FUND				BUILDING AND GROUNDS CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ 38,080	$ 250,000	$ 270,325
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,000	3,918	4,500	6,066	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,000	$ 3,918	$ 4,500	$ 6,066	$ -	$ 38,080	$ 250,000	$ 270,325
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	10,000	5,633	18,000	16,751	-	114	250,000	201,234
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,000	$ 5,633	$ 18,000	$ 16,751	$ -	$ 114	$ 250,000	$ 201,234
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (8,000)	$ (1,715)	$ (13,500)	$ (10,685)	$ -	$ 37,966	$ -	$ 69,091
CASH AND INVESTMENTS, JANUARY 1	20,633	20,633	18,918	18,918	-	-	37,966	37,966
CASH AND INVESTMENTS, DECEMBER 31	$ 12,633	$ 18,918	$ 5,418	$ 8,233	$ -	$ 37,966	$ 37,966	$ 107,057

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

RAY COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
Treasurers Account	$ -	$ 19,289,481	$ 19,289,481	$ -	$ 21,438,872	$ 21,438,872	$ -
Treasurer State Retirement	-	263,168	263,168	-	323,250	323,250	-
Treasurer Deputy Supplemental	-	11,269	11,269	-	10,930	10,930	-
Treasurer School Revolving	-	1,922	1,069	853	17,517	16,037	2,333
Treasurer General Road	-	230,611	230,611	-	258,145	258,145	-
Treasurer County School Interest	69,891	134,025	139,749	64,167	154,951	151,977	67,141
Treasurer 911 Payroll	-	171,939	171,939	-	148,960	148,960	-
Treasurer Unclaimed Fees	-	956	507	449	3	-	452
Treasurer Payroll	62,301	3,120,647	3,122,463	60,485	3,209,637	3,267,956	2,166
Treasurer Law Library	5,678	17,067	13,076	9,669	17,368	6,215	20,822
Treasurer Drug Court	22,581	10,252	6,251	26,582	4,716	4,802	26,496
Treasurer Time Payment	-	-	-	-	354	-	354
Treasurer Sales Tax Surplus	53,279	23,156	25,320	51,115	30,060	15,649	65,526
Collector	11,892,545	26,278,966	22,814,700	15,356,811	25,239,356	25,621,763	14,974,404
Recorder	17,526	160,784	165,602	12,708	164,387	163,224	13,871
Prosecuting Attorney	7,292	48,872	33,533	22,631	60,888	59,332	24,187
Public Administrator	9,197,515	1,792,593	1,720,513	9,269,595	1,741,181	4,496,296	6,514,480
County Clerk	43,834	200,665	226,250	18,249	157,332	149,644	25,937
Sheriff	8,611	574,221	556,425	26,407	592,229	575,812	42,824
Total	$ 21,381,053	$ 52,330,594	$ 48,791,926	$ 24,919,721	$ 53,570,136	$ 56,708,864	$ 21,780,993

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ray County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff, Recorder and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Ray County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity. The Senate Bill 40 Board is separately audited by an independent certified public accountant and is therefore not included in this report in accordance with the regulatory basis of accounting. The Senate Bill 40 Board's audit report may be obtained from the Ray County Board of Services at 200 North College Street, Richmond, MO 64085 or by calling (816) 470-7140. The 2017 financial statements of the 911 Emergency Services Board were separately audited by an independent certified public accountant and are therefore not required to be covered by our auditors report in accordance with the regulatory basis of accounting. The 911 Emergency Services Board's audit report may be obtained from the Ray County 911 Office at 102 West North Main Street, Richmond, MO 64085 or by calling (816) 776-2000.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector and Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Building and Grounds Capital Improvement Fund in 2017.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2018	2017
General Revenue	✓	✓
Noxious Weeds	✓	N/A
Domestic Violence	✓	N/A
Recorder	N/A	✓
Emergency Management	✓	N/A
Prosecuting Attorney Delinquent Tax	✓	N/A
Sheriff Extradition	N/A	✓
Sheriff Post Certified Training	N/A	✓
Ray County CDBG	N/A	✓
911 Emergency Services Board	✓	N/A

Also, the actual expenditures of the Building and Grounds Capital Improvement Fund in 2017 exceeded budgetary authority to the extent that a formal budget was not adopted for this fund.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	2018	2017
Real Estate	$ 194,669,290	$ 192,622,983
Personal Property	81,471,975	78,142,506
Railroad and Utilities	64,333,565	62,079,329
Total	$ 340,474,830	$ 332,844,818

For calendar years 2018 and 2017, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018	2017
Special Road & Bridge	$ 0.5003	$ 0.4861
Noxious Weeds	0.0250	-
Capital Improvements	0.0800	0.0800
Senior Citizens Services	0.0488	0.0488

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County’s deposits were $1,405,819 and $1,352,202, respectively, and the bank balances were $1,799,823 and $1,922,698, respectively. Of the bank balances, $630,770 and $501,965 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and investments listed above, cash and investments held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the carrying amounts of the County’s custodial funds were $21,780,993 and $24,919,721, respectively, and the bank balances were $20,700,246 and $23,718,923, respectively. Of the bank balances, $2,765,875 and $2,700,819 were covered by federal depository insurance at

December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Ray County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Ray County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 6.3% and 6.9% (General), and 9.8% and 9.2% (Police) of annual covered payroll for 2018 and 2017 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2018 and 2017, the County contributed $177,135 and $151,482 to LAGERS.

4) Funding Status

As of February 28, 2018, the actuarial value of plan assets exceeded accrued liabilities by $973,874 and $76,053 for the General and Police divisions, respectively. As of February 29, 2017, the actuarial value of plan assets exceeded accrued liabilities by $853,613 and

$92,131 for the General and Police divisions, respectively. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2018

and 2017, the County collected and remitted to CERF employee withholdings and fees collected of $82,268 and $79,741, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $3,366 and $2,911, respectively, for the years ended December 31, 2018 and 2017.

D. Other Retirement Plan

Ray County has a voluntary 457(b) plan administered by Empower Retirement which is paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions qualify collected and remitted by the County for the years ended December 31, 2018 and 2017 were $64,661 and $44,926, respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with one day per calendar month worked of compensated sick leave, up to a maximum of 90 days. Full-time employees having a minimum of five years of service may receive compensation for ¼ of accrued sick leave, up to a maximum of one month. Vacation time is accrued for every full-time employee beginning with the second year of employment at a rate of two weeks per year. Employees with eight or more years of employment earn three weeks per year of vacation leave. Any days not used by the end of the year will be lost. Upon voluntary separation, an employee may receive compensation for unused accrued vacation leave.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County

resulting from such litigation would not have a material effect on the financial position of the County.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

A. The County entered into a five year, $100,000 capital lease for a 2010 772G John Deere Motor Grader on June 26, 2015. The lease is scheduled to be paid in annual payments of $21,861 through 2020, which includes interest of 3%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 20,590	$ 1,271	$ 21,861
2020	21,216	645	21,861
Totals	$ 41,806	$ 1,916	$ 43,722

B. The County entered into a five year, $96,250 capital lease for a John Deere Wheel Loader on December 19, 2014. The lease is scheduled to be paid in annual payments of $20,888 through 2019, which includes interest of 2.75%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 20,322	$ 566	$ 20,888

C. The County entered into a five year, $83,973 capital lease for a New Holland Tractor on February 3, 2015. The lease is scheduled to be paid in annual payments of $18,223 through 2020, which includes interest of 2.75%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 17,249	$ 974	$ 18,223
2020	17,730	493	18,223
Totals	$ 34,979	$ 1,467	$ 36,446

D. The County entered into a five year, $50,170 capital lease for a 2014 John Deere Row-Crop Tractor on August 27, 2014. The lease is scheduled to be paid in annual payments of $11,255 through 2019. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 10,827	$ 428	$ 11,255

E. The County entered into a five year, $50,170 capital lease for a 2014 John Deere Utility Tractor on August 27, 2014. The lease is scheduled to be paid in annual payments of $11,255 through 2019. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 10,827	$ 428	$ 11,255

F. The County entered into a three year, $100,003 loan with Community Bank of Missouri for the purchase of a 2019 Peterbilt Dump Truck on October 24, 2018. The promissory note amount of $100,003 is scheduled to be paid over 36 months with a monthly payment of $2,989 through October 2021, which includes interest of 4.75%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 32,004	$ 3,865	$ 35,869
2020	33,572	2,297	35,869
2021	29,243	648	29,891
Totals	$ 94,819	$ 6,810	$ 101,629

G. The County entered into an agreement with Community Bank of Missouri for $70,000 to replace the courthouse roof in 2017. The loan was paid off in January 2018. Additionally, the County had an annual revolving line of credit with Community Bank of Missouri for the General Revenue Fund and the Special Road & Bridge Fund for $200,000. During 2016, the County drew $70,000 down on the General Revenue Fund line of credit. A $70,000 payment was made and the line of credit was closed in 2017.

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
2010 John Deere Motor Grader	$ 81,180	$ -	$ (19,392)	$ 61,788	$ 2,469
John Deere Wheel Loader	59,329	-	(19,235)	40,094	1,653
New Holland Tractor	68,088	-	(16,327)	51,761	1,896
John Deere Row-Crop Tractor	31,262	-	(10,020)	21,242	1,235
John Deere Utility Tractor	31,262	-	(10,020)	21,242	1,235
Courthouse Roof	-	70,000	(22,237)	47,763	3,228
Line of Credit	70,000	-	(70,000)	-	-

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2010 John Deere Motor Grader	$ 61,788	$ -	$ (19,982)	$ 41,806	$ 1,879
John Deere Wheel Loader	40,094	-	(19,772)	20,322	1,116
New Holland Tractor	51,761	-	(16,782)	34,979	1,441
John Deere Row-Crop Tractor	21,242	-	(10,415)	10,827	840
John Deere Utility Tractor	21,242	-	(10,415)	10,827	840
2019 Peterbilt Dump Truck	-	100,003	(5,184)	94,819	795
Courthouse Roof	47,763	-	(47,763)	-	626

8. OPERATING LEASES

A. In January 2016, the County entered into a non-cancelable lease agreement for a 2016 Caterpillar Motor Grader, under which the County could purchase the motor grader at the end of the lease for $82,960. The agreement calls for seven annual payments of $17,478 ending in 2022.

B. In January 2016, the County entered into a non-cancelable lease agreement for a 2016 Caterpillar Motor Grader, under which the County could purchase the motor grader at the end of the lease for $75,680. The agreement calls for seven annual payments of $17,105 ending in 2022.

The following schedule represents future payments under operating leases:

Fiscal Year Ending December 31,	Amount
2019	$ 34,583
2020	34,583
2021	34,583
2022	34,583

9. CHANGE IN REPORTING ENTITY

As of January 1, 2017, the County has changed it definition of the reporting entity to exclude the Drug Court Fund and Sales Tax Surplus Fund. The effect of this change was to decrease the January 1, 2017 cash and investments balance by $75,860.

10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 13, 2019, the date the financial statements were available to be issued.

In March 2019, the County entered into an agreement with Community Bank of Missouri for a $100,000 revolving line of credit for the General Revenue Fund, which includes interest not to exceed 5.5%.

In June 2019, the County entered into an agreement with Community Bank of Missouri for a $150,000 revolving line of credit for the Special Road & Bridge Fund, which includes interest not to exceed 5.5%.

Effective December 11, 2018, the Ray County Noxious Weed Board and the Ray County Commission entered into a loan agreement for $150,000 at a 1% interest rate. The amount of the loan was transferred from the Noxious Weeds Fund to the General Revenue Fund. On January 25, 2019, the County transferred $150,185 from the General Revenue Fund to the Noxious Weeds Fund for full payment of the loan.

11. INFORMATION NOT COVERED BY AUDITOR'S REPORT

The 911 Emergency Services Board engaged other independent auditor's to perform an audit of their financial statements as of and for the year ended December 31, 2017. The 2017 financial information presented on Exhibit A is not required by the regulatory basis of accounting and is not necessary for fair presentation. It is presented solely for the purpose of ensuring the mathematical integrity of the statement and is not covered by our opinion on the County's financial statements.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Ray County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ray County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Ray County, Missouri's basic financial statements and have issued our report thereon dated August 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ray County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ray County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Ray County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and recommendations as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ray County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and recommendations as items 2018-003, 2018-004, and 2018-005.

Ray County, Missouri's Responses to Findings

Ray County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Ray County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 13, 2019

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2018-001: Lack of Properly Performed Bank Reconciliations

Criteria: A proper system of internal controls requires timely completion of reconciliations between the accounting system and bank records.

Condition: A review of bank reconciliations of all County bank accounts noted the following internal control issues:

- Sheriff's office bank account reconciliations were not always properly performed or were not performed.
- Prosecuting Attorney bad check bank account reconciliations were not performed in 2017 and 2018.
- Senior Services Board bank account reconciliations were not performed in 2018.
- Sheriff's office bond account had overdraft fees of $745 occurring over a six month period.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate bank reconciliations.

Effect: Errors may go undetected if proper controls are not established to review cash transactions.

Recommendation: We recommend that all offices within the County prepare proper monthly bank reconciliations and make adjustments to the cash accounts.

Prosecuting Attorney's Response: In the past couple of years we transitioned to an online case filing system. Along with that we moved and are moving our bad checks and restitution accounts to that system which will help in preparing the reconciliations in a timely manner.

Sheriff's Response: These problems have been addressed. The cause of the overdrafts has been eliminated by the Office Manager being the only one responsible for bank deposits (or Sheriff). We are trying to adjust our time enough to make sure there is time to reconcile all accounts when necessary.

Senior Services Board's Response: The Ray County Senior Services Board Treasurer will save the reconciliation reports each month for comparison with monthly bank reports and review by board members for reconciliation. There is no need to make adjustment to cash accounts because the Board does not use such accounts.

Auditor's Evaluation: The responses of the Prosecuting Attorney and Senior Services Board are appropriate to correct the concern. The Sheriff's office should keep proper segregation of duties in mind when determining who should be responsible for bank deposits.

2018-002: Sheriff's Department Internal Controls

Criteria: A system of proper internal controls requires a segregation of duties of physical custody of assets, recording transactions, and authorizing transactions.

Condition: There is a lack of segregation of duties over the cash receipt and cash disbursement processes in the Sheriff's office. The same employee in the Sheriff's office collects fees into the office, records the receipt of fees to the transaction ledger, prepares the deposit of fees, deposits the fees, prepares the checks, is an authorized check signer, receives the bank statements, and reconciles the bank statements. Additionally, receipt of fees is only logged once a week and kept in an unlocked desk drawer until deposit is made. Furthermore, there is no indication of management review on the bank statements and reconciliations.

Cause: One employee has been instructed to perform all the above duties.

Effect: A lack of segregation of duties and adequate oversight may result in errors or other problems that might not be recognized and resolved in a timely manner.

Recommendation: We recommend the Sheriff improve the segregation of duties and internal controls within the Sheriff's office, thereby reducing the chance that errors and other problems will occur. Additionally, the Sheriff should increase his oversight of the activities of this employee.

Sheriff's Response: We do not have the budget to hire more employees to "segregate" these duties. I am trying to make sure everything is handled properly and am working on better ways to handle everything.

Auditor's Evaluation: Oversight by officeholders of duties that are performed by their employees is an adequate compensating control when segregation of duties is limited by the size of the office.

ITEMS OF NONCOMPLIANCE

2018-003: Budgetary Compliance

Criteria: State statute prohibits the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. The County budgets and published financial statements should present a complete and accurate picture of the County's financial position.

Additionally, state statute requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year.

Condition: Actual expenditures exceeded budgeted expenditures for six funds in 2018 and five funds in 2017, including the General Revenue Fund which in in poor financial condition and spent in excess of budgeted amounts in both years. The complete list of funds can be found at Note 1.D.10.

Additionally, the County did not adopt a formal budget for the Building and Grounds Capital Improvement Fund for 2017.

Cause: The County did not adequately review and amend budgeted expenditures of each fund to ensure actual expenditures did not exceed budgeted appropriations.

Effect: In order to ensure the integrity of the budgeting process, the budget documents must present a complete and accurate financial position for each County fund and the spending limits should be adhered to.

Recommendation: We recommend the County ensure compliance with state statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: In the future, the Ray County Clerk will amend the budget to account for added income or expenses.

Auditor's Evaluation: The response is appropriate to correct the concern.

2018-004: Lack of Investment Policy

Criteria: Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

Condition: The County has not adopted an investment policy as required by state statute.

Cause: The County was unaware of the requirement to adopt a written investment policy.

Effect: Adoption of a written investment policy commits a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually as required by state statute.

County's Response: In response to the finding, the County provided a copy of an investment policy that was adopted by the Commission.

Auditor's Response: The response is appropriate to correct the concern.

2018-005: Sheriff Fee Turnover and Reimbursement Requests

Criteria: Section 50.370, RSMo states that "every county officer who receives any fees or other remuneration for official services which is payable to the county shall at the end of each month…pay over to the county treasurer all fees and other moneys collected by him which belong to the county."

Condition: Monies received from the Sheriff's commissary account were not being timely turned over to the County Treasurer on a monthly basis. Funds were turned over to the County Treasurer three

times in 2017 and four times in 2018, and a monthly report was not filed to support the amount of monies turned over. Additionally, the prisoner bill of costs reimbursement was not timely submitted by the Sheriff's office increasing the delay for reimbursement from the state. Reimbursement was submitted every two months rather than monthly. The General Revenue Fund was owed approximately $266,634 for reimbursements submitted as of the date of audit fieldwork. Furthermore, request for reimbursement of Sheriff's extradition costs were not timely submitted resulting in expenditures being charged to the General Revenue Fund which have not been reimbursed from Sheriff's extradition due to lack of funds.

Cause: The Sheriff does not place adequate emphasis upon ensuring proper monthly reports are filed and monies are timely turned over to the County Treasurer in accordance with state statute. Additionally, the Sheriff does not place adequate emphasis on ensuring requests for reimbursement are timely submitted.

Effect: There is risk that not all monies payable to the County are being turned over when reports are not filed and monies are not timely submitted. Additionally, the General Revenue Fund balance is encumbered with additional expenditures which are not being timely reimbursed to the fund.

Recommendation: We recommend the Sheriff's office implement procedures to ensure fees and other monies payable to the County are submitted monthly and adequate reports are provided to support the amount of funds turned over. Additionally, we recommend implementing procedures to ensure expenditure reimbursement requests are timely submitted to the proper agencies to ensure the General Revenue Fund is timely reimbursed for expenditures paid out of the fund.

County's Response: We are implementing new procedures to ensure a more timely turnaround on all expenditures and income to be reported to the County Clerk and state.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2018, we considered Ray County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 13, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Outstanding Checks

A review of the bank reconciliations of all County bank accounts noted two accounts that had checks listed as outstanding for six months or more. As of December 31, 2018, the County Treasurer's main account reconciliation listed 16 checks that have been outstanding for over six months, totaling $1,731. As of December 31, 2018, the Prosecuting Attorney's restitution account reconciliation listed seven checks that have been outstanding for over six months, totaling $287.

We recommend the County Treasurer and Prosecuting Attorney remove stale checks from the monthly bank reconciliations on a timely basis and ensure checks are properly moved to unclaimed fees at year end.

Payroll Deficiencies

The County personnel files had Commission approved payment of accumulated vacation leave hours to one employee in the amount of $28,681, to be paid out at $5,000 per year. As of December 31, 2018, the balance owed to this employee was $18,681. This is not in accordance with the County's personnel policy which states that any vacation days not used by the end of the year will be lost.

Additionally, the County was penalized by the IRS for failure to timely file correct 1099 statements in tax year 2015. The County missed filing some 1099's for services and were not aware that partnerships and some sole proprietors were required to have a Form 1099 issued. The County paid $15,275 in penalties in 2017. This was a one-time error with no additional penalties paid after 2017.

We recommend the County administer payroll in accordance with their personnel policy or revise the personnel policy to reflect actual practice. Additionally, we recommend the County implement procedures to ensure required tax forms are properly and timely filed to avoid future penalties.

General Revenue Fund in Poor Financial Condition

As noted in several previous audits, the fund balance for the General Revenue Fund is low and decreased from the year ended December 31, 2017. The County has had to issue short-term debt to cover additional costs associated with the General Revenue Fund.

We recommend the County continue to focus on ways to improve the financial condition of the County's General Revenue Fund. Additionally, we recommend the County implement procedures to ensure County fee offices are timely turning over funds collected to the County Treasurer and timely filing reimbursements for monies expended from the General Revenue Fund.

RAY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Ray County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2016.

1. There was no budget prepared for the Ray County CDBG Fund, Disaster Aid Fund, and the Juvenile IV E Fund for the year ended December 31, 2016.

   The County deficit budgeted in the Sheriff Post Certified Training Fund for the year ended December 31, 2016.

   Actual expenditures exceeded those budgeted in the General Revenue Fund, Domestic Violence Fund, Recorder Fund, Drug Court Fund, Prosecuting Attorney Training Fund, Sheriff Training Fund, Inmate Prisoner Detainee Fund, and the Administrative Handling Cost Fund for the year ended December 31, 2016.

   Status: Partially resolved. See finding 2018-003.

2. Documentation of the County's internal controls has not been prepared in any of the offices.

   Status: Resolved.

3. There is no formal fraud risk assessment in place for any of the County's offices.

   Status: Resolved.

4. There were no bank reconciliations for the Prosecuting Attorney's office.

   Status: Repeated. See finding 2018-001.

5. The Sheriff's office credit card purchases did not have all supporting documentation and internal controls were not in place to safeguard items purchased with credit cards.

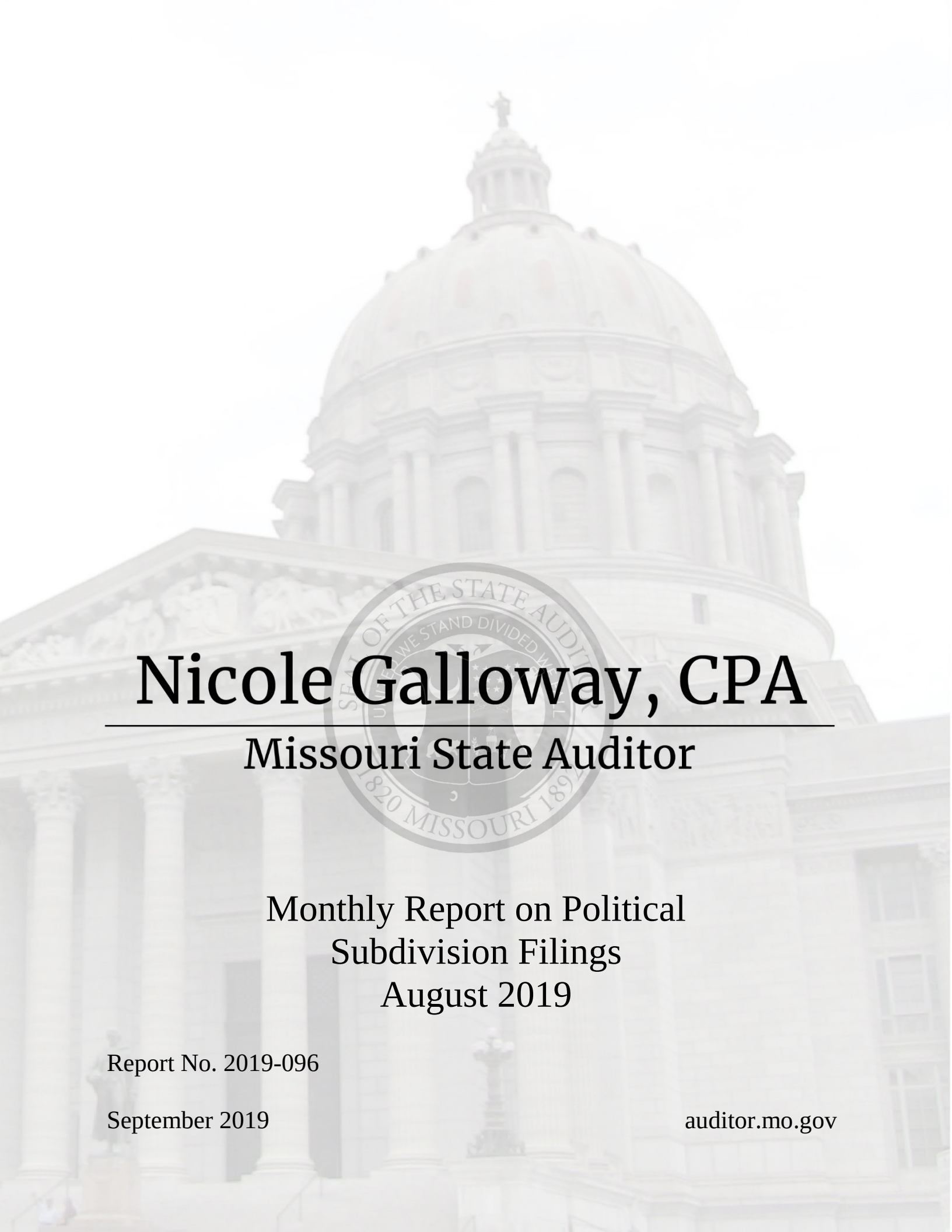
   Status: Resolved.

6. There was a lack of sufficient segregation of duties in the Sheriff's office.

   Status: Repeated. See finding 2018-002.

7. The fund balance for the General Revenue Fund is low, and decreased from the year ended December 31, 2015. The County had to issue short-term debt to cover additional costs associated with the General Revenue Fund.

   Status: See discussion under Other Matters in the Findings and Recommendations.



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings August 2019

Report No. 2019-096

September 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
August 2019
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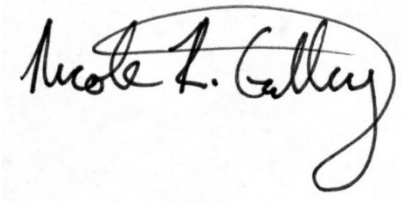
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 13 political subdivisions required to file a financial report by August 31, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in August 2019, after their filing deadline. The filing status for these 115 entities is presented in summary on page 3 and by individual entity in Appendix B-E.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings
August 2019
Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 13 political subdivisions, other than cities, towns, and villages, with a fiscal year end of February 28, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 13 political subdivisions, 7 filed an annual financial report timely and 1 reported a partial financial report.

This report also includes the filing status for 115 political subdivisions, other than cities, towns, and villages, that filed their financial report in August 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due August 31, 2019

Fiscal Year Ended February 28, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Audrain	Van-Far Ambulance District	No	
Ozark	Ozark County Ambulance District	Yes	August 12, 2019
Carroll	PWSD 1 Carroll County	Yes	August 27, 2019
Atchison	Mill Creek Dyke Drainage District	No	
	Nishnabotna Drainage District	No	
Carroll	Egypt-Prairie Drainage District	Yes	April 23, 2019
	Norborne Land Drainage District	Yes	February 26, 2019
	Dewitt Drainage & Levee District	No	
	Riverside Levee District	Partial	July 25, 2018
Marion	Drainage District Marion County	Yes	March 20, 2019
	Fabius River Drainage District	No	
Ray	Levee District Ray-Carroll County	Yes	March 5, 2019
Barton	Golden City Volunteer FPD	Yes	April 16, 2019
Total Filed		7	
Total Partially Filed		1	
Total Not Filed		5	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in August 2019

Fiscal Year Ended April 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Watts Mill CID	Yes	August 16, 2019
Total Filed		1	

Acronyms:
CID Community Improvement District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in August 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Stoddard	Drainage District 8 Stoddard County	Yes	August 19, 2019
	Drainage District 23 Stoddard County	Yes	August 19, 2019
	Drainage District 36 Stoddard County	Yes	August 19, 2019
	Drainage District 37 Stoddard County	Yes	August 19, 2019
	Drainage District 38 Stoddard County	Yes	August 19, 2019
Total Filed		5	

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in August 2019

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Schuyler	Schuyler County NHD	Yes	August 19, 2019
Total Filed		1	

Acronyms:
NHD Nursing Home District

Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in August 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	PWSD 1 Atchison County	Yes	August 12, 2019
	West Atchison FPD	Yes	August 14, 2019
Barry	Ash SRD Barry County	Yes	August 2, 2019
	Exeter SRD Barry County	Yes	August 1, 2019
	Kings Prairie SRD Barry County	Yes	August 12, 2019
	Monett SRD Barry County	Yes	August 12, 2019
	Sugar Creek SRD 3 Barry County	Yes	August 13, 2019
Barton	Barton County Memorial Hospital	Yes	August 5, 2019
Benton	Warsaw FPD	Yes	August 2, 2019
Bollinger	North County FPD	Yes	August 29, 2019
	Woodland FPD	Yes	August 27, 2019
Butler	PWSD 104 Butler County	Yes	August 20, 2019
Caldwell	Hamilton FPD	Yes	August 26, 2019
	PWSD 1 Caldwell County	Yes	August 1, 2019
Callaway	South Callaway FPD	Yes	August 12, 2019
Camden	Osage Beach SRD Camden County	Yes	August 15, 2019
	Sunrise Beach FPD	Yes	August 13, 2019
	Tri-County FPD	Yes	August 27, 2019
Cass	Creighton FPD	Yes	August 1, 2019
Chariton	PWSD 2 Chariton County	Yes	August 12, 2019
Clay	Liberty Triangle CID	Yes	August 22, 2019
	North Kansas City SRD 9 Clay County	Yes	August 20, 2019
	PWSD 5 Clay County	Yes	August 5, 2019
Cole	PWSD 3 Cole County	Yes	August 1, 2019
	PWSD 5 Cole County	Yes	August 6, 2019
Cooper	Blackwater Volunteer Rural FPD	Yes	August 6, 2019
	Overton-Wooldridge Levee District 1	Yes	August 3, 2019
	Pilot Grove Rural FPD	Yes	August 22, 2019
Crawford	Cuba Community FPD	Yes	August 11, 2019
Dade	Lockwood FPD	Yes	August 15, 2019
Dallas	Southern Dallas County FPD	Yes	August 2, 2019
DeKalb	Stewartsville FPD	Yes	August 26, 2019
	Union Star FPD	Yes	August 4, 2019
Franklin	Gerald Ambulance District	Yes	August 12, 2019
	Interstate 44 & Highway 47 TDD	Yes	August 6, 2019
	Labadie Levee District	Yes	August 12, 2019
Greene	Ash Grove FPD	Yes	August 12, 2019
	Bois D'Arc FPD	Yes	August 8, 2019
	PWSD 6 Greene County	Yes	August 9, 2019
Harrison	North Harrison FPD	Yes	August 13, 2019
Henry	Deerfield Creek SRD Henry County	Yes	August 20, 2019
	Windsor Ambulance District	Yes	August 2, 2019
Holt	Drainage District 2 Holt County	Yes	August 18, 2019

Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in August 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	South Union Township Independent SRD Holt	Yes	August 29, 2019
Howard	Levee District 7 Howard County	Yes	August 5, 2019
	Moniteau Creek WSD	Yes	August 6, 2019
Iron	Pilot Knob FPD	Yes	August 12, 2019
Jackson	Ritter Plaza CID	Yes	August 1, 2019
Laclede	Nebo Falcon FPD	Yes	August 13, 2019
Lawrence	Monett SRD Lawrence County	Yes	August 12, 2019
	Pierce Benefit SRD Lawrence County	Yes	August 14, 2019
	Vineyard Benefit SRD Lawrence	Yes	August 1, 2019
Lincoln	Old Monroe FPD	Yes	August 9, 2019
Macon	Macon County Ambulance District	Yes	August 20, 2019
Miller	Iberia Rural FPD	Yes	August 6, 2019
Mississippi	Mississippi County Library District	Yes	August 13, 2019
Monroe	Madison-West Monroe FPD	Yes	August 2, 2019
Montgomery	Bellflower FPD	Yes	August 26, 2019
New Madrid	PWSD 4 New Madrid County	Yes	August 28, 2019
Newton	Midway FPD	Yes	August 7, 2019
	Seneca Area FPD	Yes	August 2, 2019
Nodaway	Polk Rural FPD	Yes	August 8, 2019
	Union Township FPD	Yes	August 6, 2019
Perry	PWSD 1 Perry County	Yes	August 2, 2019
Pettis	PWSD 1 Pettis-Johnson-Saline County	Yes	August 26, 2019
Phelps	Duke Rural FPD	Yes	August 30, 2019
Platte	Edgerton-Trimble FPD	Yes	August 22, 2019
	PWSD 7 Platte County	Yes	August 21, 2019
	Smithville Area FPD	Yes	August 5, 2019
	Waldron Levee District	Yes	August 7, 2019
Polk	Bolivar SRD Polk County	Yes	August 19, 2019
	Prairie Heights Area Common SwrD	Yes	August 5, 2019
Pulaski	Bowman TDD	Yes	August 13, 2019
	Crocker Rural FPD	Yes	August 7, 2019
	Waynesville Rural FPD	Yes	August 26, 2019
Putnam	Grant Township FPD	Yes	August 8, 2019
	Putnam County Ambulance District	Yes	August 13, 2019
	Unionville SRD Putnam County	Yes	August 2, 2019
Randolph	Westran FPD	Yes	August 1, 2019
Ray	Crooked River Drainage District	Yes	August 14, 2019
	Levee District 1 Ray County	Yes	August 15, 2019
	Levee District 5 Ray County	Yes	August 23, 2019
Ripley	Doniphan SRD Ripley County	Yes	August 6, 2019
Scott	Oran FPD	Yes	August 29, 2019
	PWSD 1 Scott County	Yes	August 5, 2019
	Scott County Rural FPD	Yes	August 12, 2019

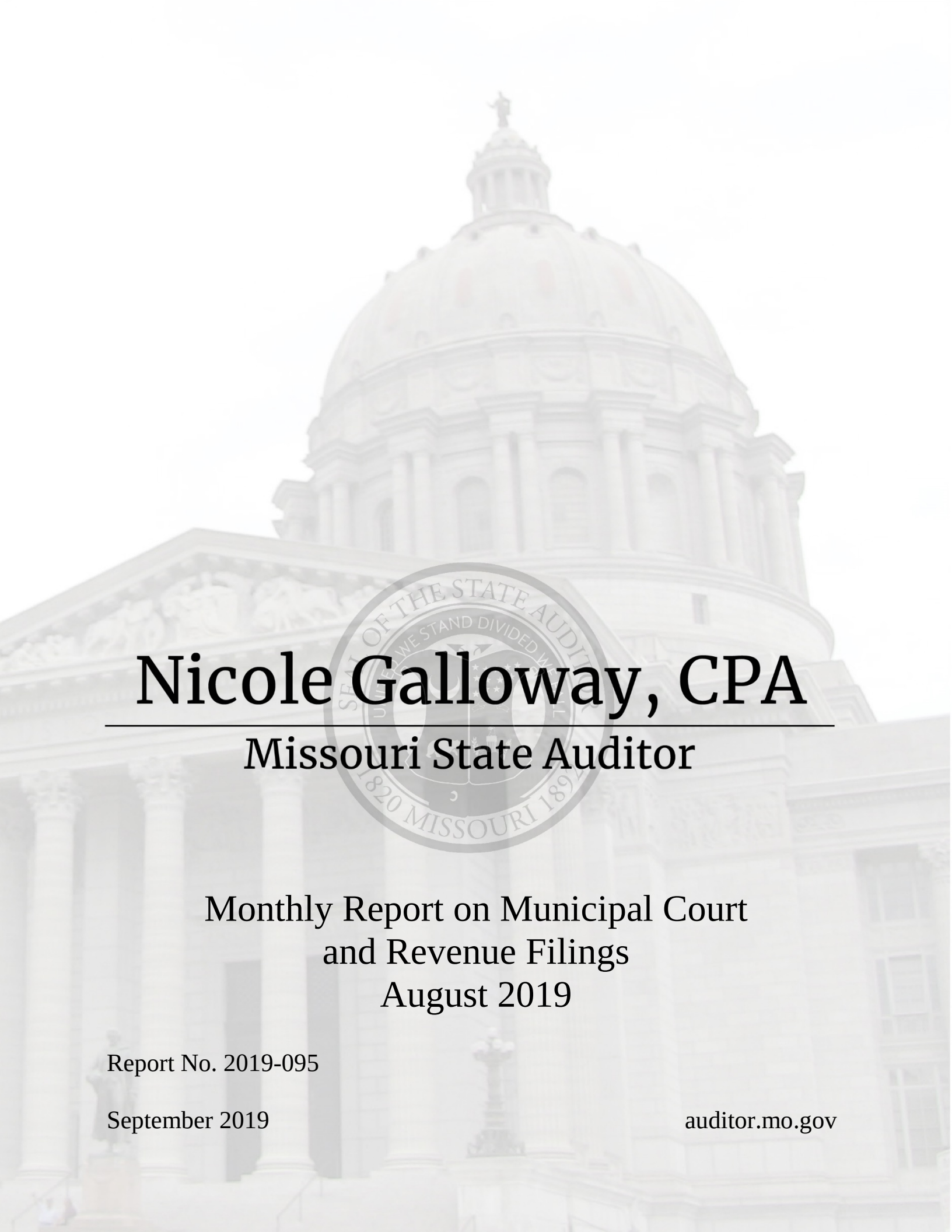
Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in August 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Shannon	Shannon County Ambulance District	Yes	August 15, 2019
	Timber Community FPD	Yes	August 8, 2019
St. Charles	Hutchings Farm Plaza TDD	Yes	August 26, 2019
	Wentzville Commons Connector TDD	Yes	August 5, 2019
St. Clair	Lowry City SRD St. Clair County	Yes	August 2, 2019
	Sac Osage FPD	Yes	August 25, 2019
St. Francois	Doe Run FPD	Yes	August 6, 2019
	Park Hills TDD	Yes	August 16, 2019
	Pilot Knob Rural Water District	Yes	August 16, 2019
St. Louis	370/MO Bottom Road/Taussig Road TDD	Yes	August 23, 2019
	Mayfair Plaza CID	Yes	August 5, 2019
	Pershall Road TDD	Yes	August 2, 2019
St. Louis City	620 Market TDD	Yes	August 22, 2019
	Laclede's Landing CID	Yes	August 2, 2019
Stoddard	Drainage District 4 Stoddard County	Yes	August 19, 2019
	Drainage District 5 Stoddard County	Yes	August 19, 2019
	Drainage District 6 Stoddard County	Yes	August 19, 2019
	Drainage District 12 Stoddard County	Yes	August 19, 2019
	Drainage District 15 Stoddard County	Yes	August 19, 2019
	Drainage District 31 Stoddard County	Yes	August 19, 2019
Taney	Cedarcreek FPD	Yes	August 1, 2019
	Taney County Health Department	Yes	August 28, 2019
Total Filed		108	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District
WSD	Watershed Subdistrict



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings August 2019

Report No. 2019-095

September 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
August 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

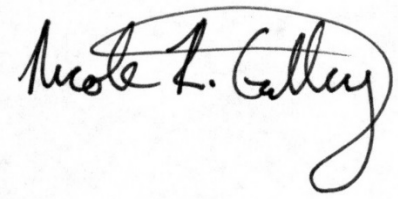
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by August 31, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 5 cities and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in August 2019, after their filing deadline. The filing status for these 76 cities, 2 towns, and 27 villages is presented in summary on pages 4 and by individual entity in Appendixes B to E.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 5 cities and 4 villages with a fiscal year end of February 28, 2019, whose financial report was due by August 31, 2019. Of the 9 municipalities required to file an annual financial report, 7 filed the report timely. Of the 4 municipalities required to file an addendum, 2 filed an addendum timely. Of the 3 municipalities required to file a certification, 1 filed a certification timely.

This report includes the filing status for 76 cities, 2 towns, and 27 villages that filed at least one of the items (financial report, addendum, or certification) in August 2019, after their filing deadline. Of these entities, 33 filed an annual financial report, 57 filed an addendum, and 30 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2019

Fiscal Year Ended February 28, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Fillmore	Yes	July 22, 2019	n/a	n/a
Audrain	City of Vandalia	Yes	August 21, 2019	Yes	No
Clay	Village of Oaks	Yes	June 7, 2019	n/a	n/a
Grundy	City of Tindall	Yes	July 19, 2019	n/a	n/a
Knox	City of Knox City	Yes	August 26, 2019	n/a	n/a
Lincoln	Village of Chain of Rocks	Yes	July 19, 2019	n/a	n/a
Osage	Village of Freeburg	No		No	n/a
St. Louis	City of Pasadena Hills	Yes	August 15, 2019	Yes	Yes
	Village of Uplands Park	No		No	No
Total Filed		7		2	1
Total Not Filed		2		2	2
Total n/a		0		5	6

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018
Filed in August 2019

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	Village of Sycamore Hills	**	April 20, 2018	**	Yes
Total Filed		0		0	1

** Filed by September 30, 2018.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in August 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Moniteau	City of Clarksburg	**	July 25, 2018	Yes	n/a
St. Louis	Town of Grantwood Village	***	February 8, 2019	No	Yes
Total Filed		0		1	1

** Filed by December 31, 2018.

*** Filed after December 31, 2018, but before August 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due May 31, 2019
Filed in August 2019

Fiscal Year Ended November 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Flordell Hills	**	January 31, 2019	Yes	Yes
Total Filed		0		1	1

** Filed by May 31, 2019.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in August 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	Village of Rea	Yes	August 20, 2019	n/a	n/a
Atchison	City of Fairfax	***	July 24, 2019	Yes	n/a
	City of Rock Port	**	June 28, 2019	**	Yes
Audrain	Village of Rush Hill	Yes	August 29, 2019	No	n/a
Barry	City of Cassville	**	May 14, 2019	Yes	No
	City of Wheaton	**	April 3, 2019	Yes	Yes
Barton	City of Liberal	**	June 12, 2019	Yes	n/a
Bates	City of Rich Hill	**	June 28, 2019	Yes	n/a
Benton	City of Lincoln	**	June 17, 2019	Yes	n/a
Bollinger	Village of Sedgewickville	Yes	August 27, 2019	n/a	n/a
Caldwell	City of Kingston	Yes	August 3, 2019	n/a	n/a
Callaway	City of Holts Summit	**	January 7, 2019	Yes	**
	City of New Bloomfield	**	May 20, 2019	Yes	n/a
Camden	City of Osage Beach	**	June 19, 2019	***	Yes
	Village of Four Seasons	**	January 18, 2019	Yes	n/a
Cape Girardeau	City of Jackson	**	January 28, 2019	**	Yes
Carroll	City of Bosworth	Yes	August 1, 2019	Yes	n/a
	Town of Carrollton	**	June 13, 2019	Yes	n/a
Carter	City of Grandin	**	January 7, 2019	Yes	n/a
Cass	City of East Lynne	***	July 25, 2019	Yes	n/a
	City of Lake Winnebago	**	April 5, 2019	**	Yes
	Village of Gunn City	Yes	August 28, 2019	n/a	n/a
Chariton	City of Mendon	Yes	August 31, 2019	n/a	n/a
Christian	City of Nixa	**	April 25, 2019	Yes	Yes
	City of Ozark	**	June 24, 2019	Yes	**
Clay	City of Missouri City	Yes	August 9, 2019	No	n/a
	Village of Prathersville	**	June 29, 2019	Yes	n/a
Clinton	City of Trimble	***	July 1, 2019	Yes	Yes
Cole	Village of Wardsville	**	June 26, 2019	Yes	n/a
Crawford	Village of West Sullivan	Yes	August 9, 2019	n/a	n/a
Dade	Village of Arcola	Yes	August 9, 2019	n/a	n/a
	Village of Dadeville	Yes	August 1, 2019	n/a	n/a
DeKalb	City of Stewartsville	**	March 13, 2019	Yes	n/a
	City of Union Star	**	March 4, 2019	Yes	n/a
Dunklin	City of Cardwell	**	January 4, 2019	Yes	No
Franklin	City of St. Clair	**	June 17, 2019	Yes	Yes
Harrison	City of Bethany	***	July 26, 2019	Yes	n/a
	City of Gilman City	**	June 26, 2019	Yes	n/a
	City of New Hampton	**	May 21, 2019	Yes	n/a
Jackson	City of Grain Valley	**	June 17, 2019	**	Yes
Jasper	City of Duenweg	**	June 14, 2019	Yes	Yes
	Village of Airport Drive	**	April 26, 2019	Yes	n/a

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in August 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	Village of Avilla	Yes	August 8, 2019	n/a	n/a
	Village of Reeds	Yes	August 15, 2019	n/a	n/a
Johnson	City of Chilhowee	**	June 25, 2019	Yes	n/a
Knox	City of Edina	**	April 29, 2019	Yes	n/a
Laclede	Village of Phillipsburg	Yes	August 29, 2019	n/a	n/a
Lawrence	City of Mount Vernon	**	February 5, 2019	**	Yes
Lincoln	City of Moscow Mills	**	April 3, 2019	**	Yes
Livingston	Village of Ludlow	Yes	August 13, 2019	n/a	n/a
	Village of Utica	Yes	August 26, 2019	n/a	n/a
Macon	City of Macon	**	June 19, 2019	Yes	n/a
McDonald	City of Southwest City	**	June 26, 2019	Yes	**
	Village of Ginger Blue	Yes	August 13, 2019	n/a	n/a
Miller	City of Eldon	***	July 3, 2019	Yes	n/a
Moniteau	City of Jamestown	**	June 29, 2019	Yes	n/a
New Madrid	City of Marston	**	February 14, 2019	No	Yes
	City of New Madrid	Yes	August 15, 2019	Yes	n/a
	Village of Tallapoosa	Yes	August 21, 2019	n/a	n/a
Newton	City of Fairview	**	February 14, 2019	**	Yes
	City of Seneca	**	April 5, 2019	Yes	No
	Village of Shoal Creek Estates	Yes	August 7, 2019	n/a	n/a
Nodaway	City of Clearmont	Yes	August 8, 2019	No	n/a
	City of Graham	**	June 1, 2019	Yes	n/a
	City of Parnell	**	February 13, 2019	Yes	n/a
Pemiscot	City of Bragg City	Yes	August 3, 2019	n/a	n/a
Pettis	City of Houstonia	Yes	August 5, 2019	No	n/a
Platte	City of Dearborn	**	June 27, 2019	Yes	No
	City of Edgerton	**	March 11, 2019	Yes	n/a
	City of Lake Waukomis	**	June 27, 2019	Yes	n/a
	City of Parkville	**	June 25, 2019	**	Yes
	City of Tracy	**	June 26, 2019	Yes	n/a
	City of Weston	***	July 15, 2019	Yes	Yes
	Village of Ferrelview	Yes	August 9, 2019	n/a	n/a
Polk	City of Bolivar	**	June 13, 2019	**	Yes
	City of Fair Play	Yes	August 8, 2019	Yes	n/a
Ray	City of Orrick	**	February 26, 2019	**	Yes
Ripley	City of Naylor	Yes	August 2, 2019	No	n/a
Saline	City of Slater	**	May 22, 2019	Yes	n/a
St. Charles	City of Cottleville	***	July 3, 2019	Yes	Yes
	City of Wentzville	**	June 13, 2019	Yes	Yes
St. Francois	City of Iron Mountain Lake	**	March 8, 2019	Yes	Yes
St. Louis	City of Des Peres	**	June 4, 2019	Yes	Yes
	City of Huntleigh	Yes	August 7, 2019	n/a	n/a

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in August 2019

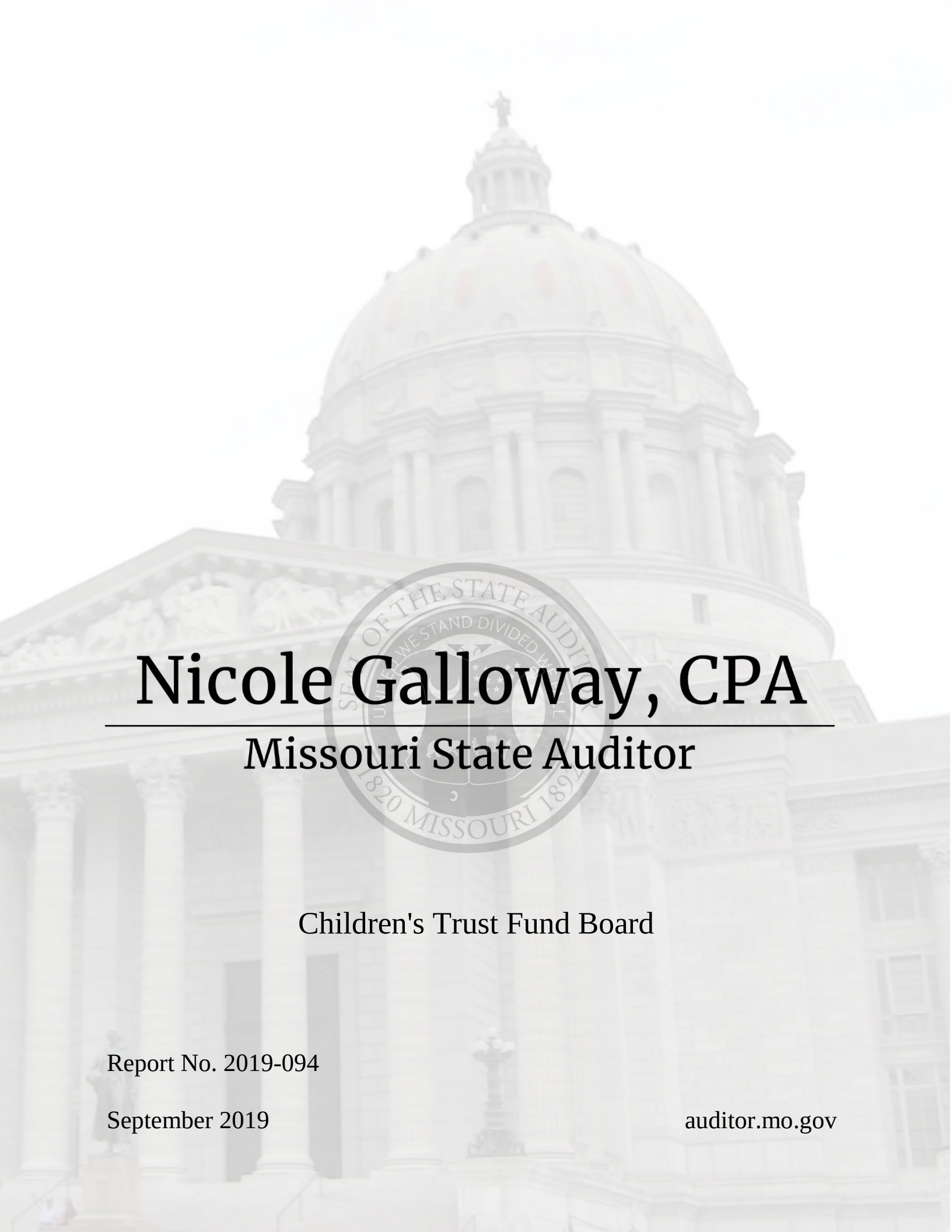
Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Lakeshire	**	June 24, 2019	No	Yes
	City of Shrewsbury	**	June 28, 2019	Yes	No
	City of St. John	**	June 18, 2019	Yes	Yes
	City of Town and Country	**	June 28, 2019	**	Yes
Stone	City of Galena	**	June 28, 2019	Yes	**
	Village of Indian Point	**	April 24, 2019	Yes	n/a
Sullivan	Village of Humphreys	Yes	August 13, 2019	n/a	n/a
	Village of Pollock	Yes	August 4, 2019	n/a	n/a
Taney	City of Merriam Woods	Yes	August 22, 2019	No	n/a
	Village of Kirbyville	Yes	August 7, 2019	n/a	n/a
Vernon	City of Bronaugh	**	March 12, 2019	Yes	n/a
	City of Nevada	**	June 28, 2019	***	Yes
	City of Sheldon	**	April 24, 2019	Yes	n/a
	Village of Moundville	Yes	August 30, 2019	No	n/a
Webster	City of Marshfield	**	June 7, 2019	**	Yes
	City of Niangua	**	February 21, 2019	Yes	n/a
Worth	Village of Denver	Yes	August 22, 2019	n/a	n/a
Total Filed		33		55	27

** Filed by June 30, 2019.

*** Filed after June 30, 2019, but before August 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

Children's Trust Fund Board

Report No. 2019-094

September 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Children's Trust Fund Board

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from the audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Children's Trust Fund Board
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sarah Steelman, Commissioner
Office of Administration
and
Members of the Children's Trust Fund Board
and
Emily van Schenkhof, Executive Director
Children's Trust Fund Board
Jefferson City, Missouri

We have audited certain operations of the Children's Trust Fund Board in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the board's internal controls over significant management and financial functions.

2. Evaluate the board's compliance with certain legal provisions.

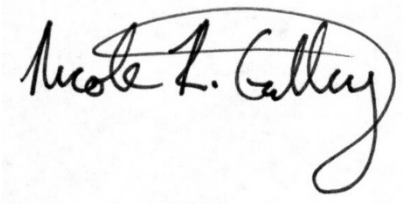
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organizational and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Children's Trust Fund Board.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Steven Barton
Audit Staff:	Sacha Tejan

Children's Trust Fund Board
Organization and Statistical Information

The Children's Trust Fund Board (CTFB) was established by Sections 210.170 to 210.173, RSMo, to provide child abuse and neglect public awareness and prevention programs throughout the state using resources of the Children's Trust Fund (CTF). Receipts of the CTF are comprised of dedicated fees on marriage licenses and vital records, voluntary contributions of state income tax refunds, sales of the specialty CTF license plate, federal grants, general donations, and interest income.

Section 210.170, RSMo, provides that the CTFB shall consist of 17 members. Thirteen public members are appointed by the Governor with the advice and consent of the Senate and are appointed to serve 3-year terms, limited to two consecutive terms. Members serve until their successor is appointed. Two members of the Missouri House of Representatives are appointed by the Speaker of the House and two members of the Missouri Senate are appointed by the President Pro Tem of the Senate. Members of the Senate and House of Representatives serve on the CTFB until their term in the House or Senate expires. On June 30, 2019, the CTFB had 15 members and 2 vacancies. Members serving on the Board as of June 2019 were:

Member	City	Term Expires
John B. Heskett, Ed.D., Chair	Chesterfield	September 2020
Amy Beechner-McCarthy, Chair Elect	Rolla	September 2019
James D. Anderst, M.D. MSCI	Kansas City	September 2020
Melissa Birdsell	St. Joseph	September 2020
Nanci A. Bobrow, Ph. D.	St. Louis	September 2019
Monica Davis, Ed.D.	Rolla	September 2018
Sharon Faulkner	Springfield	September 2018
Michael Howard	Crestwood	September 2020
Margaret Peggy Krokstrom	Chesterfield	September 2019
Sharon E. Rohrbach	Fenton	September 2019
Cherisse Thibaut, LCSW	Kirkwood	September 2018
Derek Wiseman	St. Louis	September 2018
Representative Cody Smith	Carthage	
Senator Jeanie Riddle	Holts Summit	
Senator Jill Schupp	St. Louis	
Vacant		
Vacant		

The CTFB is empowered to enter into contracts with public or private agencies, schools, or qualified individuals to establish community-based educational and service programs focused on the prevention of child abuse and neglect. The programs include home visiting, crisis care, safe sleep promotion, collective impact, parent education and engagement, and other child abuse prevention initiatives. The CTFB also provides public education about the problem of child abuse and neglect and how Missouri citizens can contribute to prevention efforts.

The CTFB may appoint an executive director to perform administrative duties. Emily van Schenkhof was appointed Executive Director in July 2017. Four other employees perform various administrative duties and responsibilities.

Appendix A

Children's Trust Fund Board
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

		Year Ended June 30,	
		2019	2018
CHILDREN'S TRUST FUND			
Receipts	$	2,196,086	2,298,141
Disbursements		2,089,143	1,862,027
Receipts Over (Under) Disbursements		106,943	436,114
Transfers In[1]		41,810	63,813
Transfers Out[2]		(142,952)	(104,695)
Receipts Over (Under) Disbursements and Transfers		5,801	395,232
Cash and Investments, July 1		4,076,509	3,681,277
Cash and Investments, June 30	$	4,082,310	4,076,509

[1] Transfers In include donations of individual or corporation state income tax refunds.

[2] Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

Appendix B

Children's Trust Fund Board
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2019			2018		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
CHILDREN'S TRUST FUND						
Program disbursements	$ 2,800,000	1,749,123	1,050,877	2,800,000	1,552,404	1,247,596
Administrative, promotional, and programmatic costs of the Children's Trust Fund Board:						
Personal service	282,266	263,500	18,766	222,996	214,614	8,382
Expense and equipment	112,092	56,129	55,963	112,092	72,904	39,188
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - expense and equipment	13,592	13,572	20	13,059	13,059	0
Refunds	13,495	6,203	7,292	13,495	6,065	7,430
Total Children's Trust Fund	$ 3,221,445	2,088,527	1,132,918	3,161,642	1,859,046	1,302,596

Appendix C

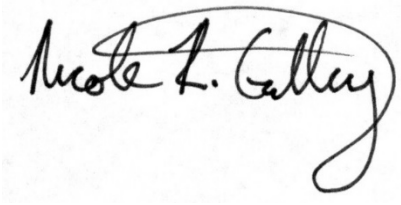
Children's Trust Fund Board
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2019	2018	2017	2016	2015
Salaries and wages	$ 263,500	214,614	230,547	215,873	214,548
Travel, in-state	17,286	11,938	6,346	4,928	5,293
Travel, out-of-state	15,275	3,942	2,549	1,946	3,299
Supplies	11,811	5,281	3,919	8,859	3,725
Professional development	9,897	4,577	4,640	3,092	3,718
Communication services and supplies	2,012	1,966	1,730	2,197	3,706
Services:					
Professional	217,097	177,667	34,041	43,958	24,967
Maintenance and repair	417	255	163	63	407
Equipment:					
Computer	0	0	1,543	0	0
Office	4,460	288	499	40	0
Other	7,627	1,488	151	0	0
Property and improvements	635	0	0	0	0
Building lease payments	16,159	14,389	13,483	12,952	13,343
Equipment rental and leases	569	0	0	0	0
Miscellaneous expenses	18,623	3,022	2,208	1,879	1,067
Refunds	6,203	6,065	6,772	7,060	6,090
Program distributions	1,496,956	1,413,554	1,960,130	1,859,917	2,557,806
Total Expenditures	$ 2,088,527	1,859,046	2,268,721	2,162,764	2,837,969

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Nodaway County, Missouri

The Office of the State Auditor contracted for an audit of Nodaway County's financial statements for the year ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-093

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Nodaway County

Procurement	The County maintain evidence to support competitive bids, and ensure that sole source justifications or instances in which the lowest bid is not selected are documented in accordance with state law.
Bank Account Interest	The County ensure that all transactions are posted timely to the accounting system and that reconciling items on bank statements are followed up on and resolved in a timely manner.

ANNUAL FINANCIAL REPORT

NODAWAY COUNTY, MISSOURI

For the Year Ended
December 31, 2018

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

NODAWAY COUNTY, MISSOURI

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INTRODUCTORY SECTION

NODAWAY COUNTY, MISSOURI
List of Elected Officials 2018

County Commission

Presiding Commissioner – Bill Walker

Northern District Commissioner – Chris Burns

Southern District Commissioner – Bob Stiens

Other Elected Officials

Assessor – Rex Wallace

Circuit Clerk – Elaine Wilson

Collector/Treasurer – Marilyn Jenkins

County Clerk – Melinda Patton

Coroner – Vince Shelby

Prosecuting Attorney – Robert Rice

Public Administrator – Diane Thomsen

Recorder – Sandra L. (Sandy) Smail

Sheriff – Randy Strong

Surveyor – Adam Teale

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Nodaway County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Nodaway County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Nodaway County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Nodaway County, Missouri, as of December 31, 2018, or the changes in financial position thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Nodaway County, Missouri, as of December 31, 2018, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 15, 2019, on our consideration of Nodaway County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nodaway County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 15, 2019

Exhibit A

NODAWAY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
General Revenue	$ 4,980,411	$ 3,857,123	$ 3,905,526	$ 4,932,008
Special Road and Bridge	884,805	1,779,831	1,863,237	801,399
Assessment	608,802	395,126	360,711	643,217
Election Shares	20,780	2,866	-	23,646
Tax Incentive Payment	3,590	-	-	3,590
Police Officer Training	1,860	4,053	1,522	4,391
Prosecuting Attorney Training	436	785	-	1,221
911	223,149	175,975	223,134	175,990
Adult Abuse	3,268	2,572	-	5,840
Nuclear Accident Emergency Preparedness	33,247	-	-	33,247
Local Emergency Preparedness	33,710	4,217	6,413	31,514
Senior Citizens	59,822	157,359	162,457	54,724
Civil Fee	19,160	25,467	14,067	30,560
Recorder User Fee	10,451	11,044	5,600	15,895
Tax Maintenance	36,215	23,012	45,579	13,648
Administrative Center	1,424,933	437,444	436,870	1,425,507
Administrative Handling	6,826	2,201	1,760	7,267
Senate Bill 40 Board	29,346	164,467	170,790	23,023
Concealed Weapons	29,634	4,942	1,325	33,251
Inmate Security	44,750	24,890	22,042	47,598
Road and Bridge Special Sales Tax	581,033	1,157,729	1,133,885	604,877
Total	$ 9,036,228	$ 8,231,103	$ 8,354,918	$ 8,912,413

The accompanying Notes to the Financial Statements are an integral part of this statement.

NODAWAY COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	$ -	$ -
Sales taxes	2,724,771	2,572,534
Intergovernmental	219,880	179,258
Charges for services	833,410	956,745
Interest	37,760	58,293
Other	187,317	90,293
Transfers in	-	-
Total Receipts	$ 4,003,138	$ 3,857,123
DISBURSEMENTS		
County Commission	$ 139,880	$ 177,638
County Clerk	181,450	179,934
Elections	164,600	99,371
Buildings and grounds	386,060	229,062
Employee fringe benefits	584,607	30,694
Collector/Treasurer	183,750	186,711
Recorder of Deeds	165,900	179,125
Circuit Court	33,700	25,076
Court Administration	9,221	7,899
Public Administrator	58,310	69,558
Sheriff	918,685	1,078,348
Jail	555,452	562,524
Prosecuting Attorney	331,253	359,007
Juvenile Officer	72,800	70,588
Coroner	42,880	49,313
Other County government	367,187	353,878
Health and welfare	22,290	16,800
Transfers out	638,910	230,000
Emergency fund	144,050	-
Total Disbursements	$ 5,000,985	$ 3,905,526
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (997,847)	$ (48,403)
CASH AND INVESTMENTS, JANUARY 1	4,980,411	4,980,411
CASH AND INVESTMENTS, DECEMBER 31	$ 3,982,564	$ 4,932,008

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	SPECIAL ROAD AND BRIDGE FUND		ASSESSMENT FUND		ELECTION SHARES FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ 163,000	$ 162,454	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,350,780	1,221,307	370,400	353,208	5,000	2,516
Charges for services	12,000	11,854	21,750	21,750	-	-
Interest	7,110	10,820	5,300	7,713	250	350
Other	55,500	123,396	50,570	12,455	-	-
Transfers in	250,000	250,000	-	-	-	-
Total Receipts	$ 1,838,390	$ 1,779,831	$ 448,020	$ 395,126	$ 5,250	$ 2,866
DISBURSEMENTS						
Salaries	$ 346,400	$ 314,058	$ 205,920	$ 209,454	$ -	$ -
Employee fringe benefits	125,810	108,835	102,450	78,597	-	-
Materials and supplies	692,575	571,855	36,400	6,340	-	-
Services and other	126,911	173,413	103,250	66,320	-	-
Capital outlay	200,000	181,830	-	-	-	-
Construction	1,077,000	513,246	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 2,568,696	$ 1,863,237	$ 448,020	$ 360,711	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (730,306)	$ (83,406)	$ -	$ 34,415	$ 5,250	$ 2,866
CASH AND INVESTMENTS, JANUARY 1	884,805	884,805	608,802	608,802	20,780	20,780
CASH AND INVESTMENTS, DECEMBER 31	$ 154,499	$ 801,399	$ 608,802	$ 643,217	$ 26,030	$ 23,646

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	TAX INCENTIVE PAYMENT FUND		POLICE OFFICER TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	3,000	4,053	800	785
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ -	$ -	$ 3,000	$ 4,053	$ 800	$ 785
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	3,600	1,522	500	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ 3,600	$ 1,522	$ 500	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ (600)	$ 2,531	$ 300	$ 785
CASH AND INVESTMENTS, JANUARY 1	3,590	3,590	1,860	1,860	436	436
CASH AND INVESTMENTS, DECEMBER 31	$ 3,590	$ 3,590	$ 1,260	$ 4,391	$ 736	$ 1,221

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	911 FUND		ADULT ABUSE FUND		NUCLEAR ACCIDENT EMERGENCY PREPAREDNESS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	115,000	104,425	3,600	2,572	-	-
Interest	1,600	3,064	-	-	-	-
Other	67,626	68,486	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 184,226	$ 175,975	$ 3,600	$ 2,572	$ -	$ -
DISBURSEMENTS						
Salaries	$ 79,710	$ 83,985	$ -	$ -	$ -	$ -
Employee fringe benefits	28,160	20,630	-	-	-	-
Materials and supplies	500	492	-	-	25,000	-
Services and other	95,750	102,810	3,000	-	-	-
Capital outlay	22,630	15,217	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 226,750	$ 223,134	$ 3,000	$ -	$ 25,000	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (42,524)	$ (47,159)	$ 600	$ 2,572	$ (25,000)	$ -
CASH AND INVESTMENTS, JANUARY 1	223,149	223,149	3,268	3,268	33,247	33,247
CASH AND INVESTMENTS, DECEMBER 31	$ 180,625	$ 175,990	$ 3,868	$ 5,840	$ 8,247	$ 33,247

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	LOCAL EMERGENCY PREPAREDNESS FUND		SENIOR CITIZENS FUND		CIVIL FEE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ 168,000	$ 156,987	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	3,700	4,217	270	265	-	-
Charges for services	-	-	-	-	32,000	25,467
Interest	-	-	-	107	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 3,700	$ 4,217	$ 168,270	$ 157,359	$ 32,000	$ 25,467
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	200	-	100	57	-	-
Services and other	6,600	6,413	162,400	162,400	16,000	3,294
Capital outlay	-	-	-	-	16,000	10,773
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 6,800	$ 6,413	$ 162,500	$ 162,457	$ 32,000	$ 14,067
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,100)	$ (2,196)	$ 5,770	$ (5,098)	$ -	$ 11,400
CASH AND INVESTMENTS, JANUARY 1	33,710	33,710	59,822	59,822	19,160	19,160
CASH AND INVESTMENTS, DECEMBER 31	$ 30,610	$ 31,514	$ 65,592	$ 54,724	$ 19,160	$ 30,560

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	RECORDER USER FEE FUND		TAX MAINTENANCE FUND		ADMINISTRATIVE CENTER FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ 401,282	$ 432,769
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	11,100	11,044	32,125	23,012	-	-
Interest	-	-	-	-	6,100	4,675
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	20,000	-
Total Receipts	$ 11,100	$ 11,044	$ 32,125	$ 23,012	$ 427,382	$ 437,444
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ 2,724
Employee fringe benefits	-	-	-	-	-	595
Materials and supplies	3,000	1,100	10,000	9,298	1,000	47
Services and other	-	-	32,500	28,989	456,419	413,504
Capital outlay	5,000	4,500	15,000	7,292	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	20,000
Total Disbursements	$ 8,000	$ 5,600	$ 57,500	$ 45,579	$ 457,419	$ 436,870
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 3,100	$ 5,444	$ (25,375)	$ (22,567)	$ (30,037)	$ 574
CASH AND INVESTMENTS, JANUARY 1	10,451	10,451	36,215	36,215	1,424,933	1,424,933
CASH AND INVESTMENTS, DECEMBER 31	$ 13,551	$ 15,895	$ 10,840	$ 13,648	$ 1,394,896	$ 1,425,507

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	ADMINISTRATIVE HANDLING FUND		SENATE BILL 40 BOARD FUND		CONCEALED WEAPONS FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ 164,015	$ 164,465	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,500	2,080	-	-	2,500	4,448
Interest	55	121	-	2	-	494
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 3,555	$ 2,201	$ 164,015	$ 164,467	$ 2,500	$ 4,942
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	590
Services and other	1,900	1,760	174,865	170,790	-	735
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 1,900	$ 1,760	$ 174,865	$ 170,790	$ -	$ 1,325
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,655	$ 441	$ (10,850)	$ (6,323)	$ 2,500	$ 3,617
CASH AND INVESTMENTS, JANUARY 1	6,826	6,826	29,346	29,346	29,634	29,634
CASH AND INVESTMENTS, DECEMBER 31	$ 8,481	$ 7,267	$ 18,496	$ 23,023	$ 32,134	$ 33,251

The accompanying Notes to the Financial Statements are an integral part of these statements.

NODAWAY COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	INMATE SECURITY FUND		ROAD AND BRIDGE SPECIAL SALES TAX FUND	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	-	-	1,220,000	1,143,828
Intergovernmental	-	-	15,000	13,901
Charges for services	32,500	24,890	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	$ 32,500	$ 24,890	$ 1,235,000	$ 1,157,729
DISBURSEMENTS				
Salaries	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	21,500	13,915	-	-
Capital outlay	6,000	8,127	-	-
Construction	-	-	1,200,000	1,133,885
Transfers out	-	-	-	-
Total Disbursements	$ 27,500	$ 22,042	$ 1,200,000	$ 1,133,885
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 5,000	$ 2,848	$ 35,000	$ 23,844
CASH AND INVESTMENTS, JANUARY 1	44,750	44,750	581,033	581,033
CASH AND INVESTMENTS, DECEMBER 31	$ 49,750	$ 47,598	$ 616,033	$ 604,877

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

NODAWAY COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

Fund/Account	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
Treasurer Surplus Land	8,744	6,100	-	14,844
Treasurer Unclaimed Fee	3,316	3,347	-	6,663
Treasurer Common School	33,351	116,807	112,926	37,232
Treasurer Intangible Tax	39,865	35,861	39,452	36,274
Treasurer CERF	-	252,851	250,472	2,379
Treasurer Treatment Court	20,672	8,334	15,301	13,705
Treasurer Deputy Supplemental Salary	753	6,850	7,603	-
Treasurer TIF	-	71,046	71,046	-
Treasurer Flex Spending	14,142	-	98	14,044
Collector	17,715,160	23,823,904	23,142,936	18,396,128
Sheriff	13,322	173,826	168,530	18,618
Recorder of Deeds	13,912	136,967	150,787	92
Public Administrator	1,715,752	1,198,137	1,456,429	1,457,460
Total	$ 19,578,989	$ 25,834,030	$ 25,415,580	$ 19,997,439

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nodaway County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are 10 elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Surveyor.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Nodaway County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector/Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Concealed Weapons Fund.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018, for purposes of taxation were:

Real Estate	$ 213,454,520
Personal Property	80,103,700
Railroad and Utilities	31,305,892
Total	$ 324,864,112

For calendar years 2018, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

General Revenue	$ 0.1600
Senior Citizens	0.0500
Senate Bill 40 Board	0.0500

The property taxes collected from the General Revenue levy are recorded in the Administrative Center Fund. Property tax receipts were recorded in the Special Road and Bridge Fund based on a percentage allocation of tax collections which was $.0500 per $100 of assessed valuation of tangible taxable property.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, the carrying amount of the County's deposits was $8,912,413 and the bank balance was $9,020,986. Of the bank balance, $691,804 was covered by federal depository insurance at December 31, 2018. The remainder of the balance at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018, the carrying amount of the County's custodial funds was $19,997,439 and the bank balance was $14,914,579. Of the bank balance, $1,740,856 was covered by federal depository insurance at December 31, 2018. The remainder of the balance at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Nodaway County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

The County is required by State Statute to contribute at an actuarially determined rate. The rates for the year ended December 31, 2018 were 6.5% (General) and 7.4% (Police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the year ended December 31, 2018, the County contributed $151,207 to LAGERS.

4) Funding Status

As of February 28, 2018, the actuarial value of plan assets exceeded the accrued liabilities of the plan by $8,802 for the General division, and the actuarial value of accrued liabilities exceeded the plan assets by $53,588 for the Police division. These net pension assets and liabilities are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different

prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2018, the County collected and remitted to CERF employee withholdings and fees collected of $184,891.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $13,005 for the year ended December 31, 2018.

D. Other Retirement Plan

Nodaway County has a voluntary CERF 457 plan which is paid by a deduction from employee’s salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2018 was $65,582.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 60 days of sick time, to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked up to 60 days. Upon termination, the employee will not be compensated for any unused sick time. Vacation time is accrued for full-time regular employees after a six-month probationary period based on years of employment with the County. During the first two years, employees are eligible for two weeks of vacation per year (up to 80 hours), three weeks during years three through eight (up to 120 hours), four weeks during years nine through twelve (up to 160 hours), and five weeks from years thirteen and on (up to 200 hours). Vacation is accrued on a monthly basis and is awarded retroactively for the six-month probationary period for all employees lasting longer than six months. Upon termination, the employee is compensated for accrued vacation time at the employee's final rate of pay.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

A. The County entered into a loan with U.S. Bank dated June 1, 2008, for the construction of an administration building. The remaining balance on the loan at December 31, 2018 was $2,704,084. The loan has an interest rate of 4.85% and is due in monthly payments of $29,652 until May 1, 2028. Future payments on the loan are as follows:

Year Ended December 31,	Principal	Interest	Total
2019	$ 229,741	$ 126,086	$ 355,827
2020	241,135	114,692	355,827
2021	253,093	102,734	355,827
2022	265,645	90,182	355,827
2023	278,819	77,008	355,827
2024-2028	1,435,651	165,210	1,600,861
Totals	$ 2,704,084	$ 675,912	$ 3,379,996

B. In December 2016, the County entered into a $139,000, two-year capital lease for the purchase of a 2016 John Deere Excavator. The lease called for two annual payments of $72,957, with interest at 3.25%. The County has the option to purchase the equipment for $1 at the end of the lease term. The final payment of $72,958, consisting of $70,628 of principal and $2,330 of interest, was made in December 2018.

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
US Bank Loan	$ 2,922,970	$ -	$ (218,886)	$ 2,704,084	$ 136,941
Excavator	70,628	-	(70,628)	-	2,330

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 15, 2019, the date the financial statements were available to be issued. Based on this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Nodaway County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nodaway County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Nodaway County, Missouri's basic financial statements and have issued our report thereon dated August 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nodaway County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nodaway County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Nodaway County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nodaway County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 15, 2019

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

None

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the year ended December 31, 2018, we considered Nodaway County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 15, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Procurement

There was no evidence bids were solicited in accordance with state law for three purchases tested during our audit. These purchases totaled $58,531 and were from the General Revenue and Special Road and Bridge Funds. Section 50.660, RSMo requires competitive bids for all purchases greater than $4,500 and newspaper advertising soliciting sealed bids for purchases exceeding $6,000. Section 50.783, RSMO requires justification stated in the Commission minutes for sole source bids and instances in which the lowest bid was not selected.

We recommend the County maintain evidence to support competitive bids, and ensure that sole source justifications or instances in which the lowest bid is not selected are documented in accordance with state law.

Bank Account Interest

Bank account interest was not posted to County fund ledgers on a timely basis. Our audit noted February bank interest earned of $5,020 was not posted to the General Revenue, Special Road and Bridge, Assessment, Election Shares, 911, Concealed Weapons and Administrative Handling Funds until June 4, 2018. The February, March and April bank interest totaling $782 earned on the Treasurer's Administrative Center Fund bank account deposits were not posted to the fund ledger at December 31, 2018, but were listed as reconciling items.

We recommend the County ensure that all transactions are posted timely to the accounting system and that reconciling items on bank statements are followed up on and resolved in a timely manner.

NODAWAY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

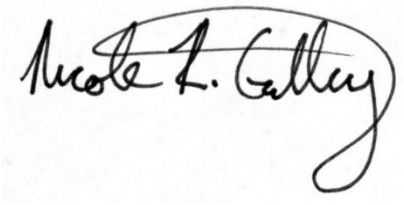
In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Nodaway County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2017.

There were no prior audit findings to follow-up on.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Harrison County, Missouri

The Office of the State Auditor contracted for an audit of Harrison County's financial statements for the year ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-092

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Harrison County

2018-001 Budgetary Controls	The County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget.
2018-002 Absence of Investment Policy	The County adopt an investment policy and review compliance with this policy at least annually as required by state statute.
Sheriff Account Negative Book Balance	The Sheriff Department resolve the deficiency of $27 to return the book balance after the monthly turnover to $0.
Procurement Procedures	The Sheriff's office ensure that all fuel logs supporting fuel card charges are obtained and reconciled to the statements.

ANNUAL FINANCIAL REPORT

HARRISON COUNTY, MISSOURI

For the Year Ended
December 31, 2018

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

HARRISON COUNTY, MISSOURI

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INTRODUCTORY SECTION

HARRISON COUNTY, MISSOURI
List of Elected Officials 2018

County Commission

Presiding Commissioner – Jack W. Hodge

Northern District Commissioner – Rick J. Smith

Southern District Commissioner – Jim Holcomb

Other Elected Officials

Assessor – Lila Mae Craig

Circuit Clerk/Ex-Officio Recorder – C. Sherece Eivins

Collector/Treasurer – Cheryl Coleman

County Clerk – Jackie Deskins

Coroner – Zach Wilson

Prosecuting Attorney – Johnathan Meyer*

Public Administrator – Kimberly King

Sheriff – Josh Eckerson

*Appointed in July 2018

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Harrison County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Harrison County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Harrison County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Harrison County, Missouri, as of December 31, 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Harrison County, Missouri, as of December 31, 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 9, 2019, on our consideration of Harrison County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Harrison County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2019

Exhibit A

HARRISON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

Fund	Cash and Investments January 1	Receipts	Disbursements	Cash and Investments December 31
General Revenue	$ 1,247,282	$ 1,331,513	$ 1,182,797	$ 1,395,998
Special Road & Bridge	979,322	1,529,063	1,399,396	1,108,989
Assessment	93,068	171,044	166,919	97,193
Sheriff Training	16,498	6,241	8,271	14,468
Prosecuting Attorney Training	4,876	1,462	456	5,882
Special Poor	35,823	340	7,084	29,079
Lottie Wilson Trust	28,658	303	-	28,961
Recorders Preservation	8,669	4,211	1,298	11,582
Prosecuting Attorney Bad Check	25,249	1,854	6,283	20,820
Domestic Violence	-	524	524	-
Harrison County Lake	263,086	22,546	22,502	263,130
911	78,433	347,094	314,954	110,573
Harrison County CAFO	7,401	77	-	7,478
Local Emergency Planning Committee	8,906	2,952	6,069	5,789
POST Commission Training	4,949	2,858	3,385	4,422
County Election Services	10,876	432	3,181	8,127
Recorders Technology	1,399	1,939	2,542	796
Prosecuting Attorney Retirement	3,369	3,369	3,366	3,372
Tax Maintenance	67,774	17,336	7,529	77,581
1/2 Cent Sales Tax Law Enforcement	33,349	822,186	766,683	88,852
Eagleville Cemetery	42,832	440	2,086	41,186
Juvenile Restitution	1,980	197	-	2,177
FEMA/SEMA	54,051	473	54,000	524
Prosecuting Attorney Delinquent Tax	-	-	-	-
Senior Citizens' Tax Board	13,687	58,341	51,875	20,153
Leah Trullinger Endowment	295,818	7,925	5,261	298,482
County Sheriff's Revolving	16,827	1,442	135	18,134
Inmate Prisoner Detainee	86,879	38,294	45,476	79,697
Law Enforcement Restitution	42,610	16,282	22,406	36,486
Administrative Handling Fee	1,647	419	-	2,066
Total	$ 3,475,318	$ 4,391,157	$ 4,084,478	$ 3,781,997

The accompanying Notes to the Financial Statements are an integral part of this statement.

HARRISON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	$ 430,050	$ 411,334
Sales taxes	450,000	414,892
Intergovernmental	22,400	14,655
Charges for services	419,000	447,336
Interest	12,000	17,091
Other	22,940	21,205
Transfers in	10,000	5,000
Total Receipts	$ 1,366,390	$ 1,331,513
DISBURSEMENTS		
County Commission	$ 87,881	$ 88,202
County Clerk	67,400	58,354
Elections	112,314	107,670
Buildings and grounds	221,120	222,366
Collector/Treasurer	119,718	112,386
Recorder of Deeds	36,631	35,654
Court Administration	24,908	18,083
Public Administrator	54,954	50,944
Prosecuting Attorney	118,843	118,101
Juvenile Officer	45,850	20,258
Coroner	27,242	14,693
Other County government	278,415	196,761
Transfers Out	228,738	133,878
Emergency fund	100,000	5,447
Total Disbursements	$ 1,524,014	$ 1,182,797
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (157,624)	$ 148,716
CASH AND INVESTMENTS, JANUARY 1	1,247,282	1,247,282
CASH AND INVESTMENTS, DECEMBER 31	$ 1,089,658	$ 1,395,998

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	SPECIAL ROAD & BRIDGE FUND		ASSESSMENT FUND		SHERIFF TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	610,000	602,887	-	-	-	-
Intergovernmental	1,918,330	790,239	190,860	164,908	-	450
Charges for services	117,700	67,473	3,000	4,760	6,400	5,616
Interest	7,800	12,364	600	1,376	74	175
Other	-	100	1,000	-	-	-
Transfers in	57,051	56,000	-	-	-	-
Total Receipts	$ 2,710,881	$ 1,529,063	$ 195,460	$ 171,044	$ 6,474	$ 6,241
DISBURSEMENTS						
Salaries	$ 153,400	$ 137,310	$ 108,960	$ 100,822	$ -	$ -
Employee fringe benefits	44,744	49,316	23,925	28,028	-	-
Materials and supplies	334,000	170,852	9,500	7,713	-	-
Services and other	144,000	74,695	38,440	24,579	4,000	3,271
Capital outlay	135,000	97,708	6,000	3,777	-	-
Construction	1,879,420	869,515	-	-	-	-
Transfers out	-	-	2,000	2,000	5,000	5,000
Total Disbursements	$ 2,690,564	$ 1,399,396	$ 188,825	$ 166,919	$ 9,000	$ 8,271
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 20,317	$ 129,667	$ 6,635	$ 4,125	$ (2,526)	$ (2,030)
CASH AND INVESTMENTS, JANUARY 1	979,322	979,322	93,068	93,068	16,498	16,498
CASH AND INVESTMENTS, DECEMBER 31	$ 999,639	$ 1,108,989	$ 99,703	$ 97,193	$ 13,972	$ 14,468

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	PROSECUTING ATTORNEY TRAINING FUND		SPECIAL POOR FUND		LOTTIE WILSON TRUST FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	10,000	-	-	-
Charges for services	1,700	1,407	-	-	-	-
Interest	20	55	140	340	135	303
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 1,720	$ 1,462	$ 10,140	$ 340	$ 135	$ 303
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	1,720	456	19,700	7,084	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 1,720	$ 456	$ 19,700	$ 7,084	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 1,006	$ (9,560)	$ (6,744)	$ 135	$ 303
CASH AND INVESTMENTS, JANUARY 1	4,876	4,876	35,823	35,823	28,658	28,658
CASH AND INVESTMENTS, DECEMBER 31	$ 4,876	$ 5,882	$ 26,263	$ 29,079	$ 28,793	$ 28,961

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	RECORDERS PRESERVATION FUND		PROSECUTING ATTORNEY BAD CHECK FUND		DOMESTIC VIOLENCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,000	4,104	4,630	1,615	450	523
Interest	6	107	200	239	1	1
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 3,006	$ 4,211	$ 4,830	$ 1,854	$ 451	$ 524
DISBURSEMENTS						
Salaries	$ -	$ -	$ 5,560	$ 5,520	$ -	$ -
Employee fringe benefits	-	-	426	422	-	-
Materials and supplies	500	1,086	150	100	-	-
Services and other	2,500	212	600	241	451	524
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 3,000	$ 1,298	$ 6,736	$ 6,283	$ 451	$ 524
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 6	$ 2,913	$ (1,906)	$ (4,429)	$ -	$ -
CASH AND INVESTMENTS, JANUARY 1	8,669	8,669	25,249	25,249	-	-
CASH AND INVESTMENTS, DECEMBER 31	$ 8,675	$ 11,582	$ 23,343	$ 20,820	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	HARRISON COUNTY LAKE FUND		911 FUND		HARRISON COUNTY CAFO FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	135,500	143,309	-	-
Charges for services	16,000	16,756	66,250	66,250	-	-
Interest	1,700	2,764	185	650	-	77
Other	2,500	3,026	10	4,385	-	-
Transfers in	-	-	185,000	132,500	-	-
Total Receipts	$ 20,200	$ 22,546	$ 386,945	$ 347,094	$ -	$ 77
DISBURSEMENTS						
Salaries	$ -	$ -	$ 164,000	$ 139,254	$ -	$ -
Employee fringe benefits	-	-	59,780	42,592	-	-
Materials and supplies	-	-	4,200	4,162	-	-
Services and other	32,000	22,502	48,000	50,172	-	-
Capital outlay	5,000	-	106,000	78,774	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	200	-	-	-
Total Disbursements	$ 37,000	$ 22,502	$ 382,180	$ 314,954	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (16,800)	$ 44	$ 4,765	$ 32,140	$ -	$ 77
CASH AND INVESTMENTS, JANUARY 1	263,086	263,086	78,433	78,433	7,401	7,401
CASH AND INVESTMENTS, DECEMBER 31	$ 246,286	$ 263,130	$ 83,198	$ 110,573	$ 7,401	$ 7,478

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	LOCAL EMERGENCY PLANNING COMMITTEE FUND		POST COMMISSION TRAINING FUND		COUNTY ELECTION SERVICES FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	2,800	2,878	3,055	2,823	-	-
Charges for services	-	-	-	-	1,000	341
Interest	25	74	15	35	50	91
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 2,825	$ 2,952	$ 3,070	$ 2,858	$ 1,050	$ 432
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	100	52	-	-	-	-
Services and other	6,700	6,017	3,000	3,385	-	-
Capital outlay	-	-	-	-	3,500	3,181
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 6,800	$ 6,069	$ 3,000	$ 3,385	$ 3,500	$ 3,181
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,975)	$ (3,117)	$ 70	$ (527)	$ (2,450)	$ (2,749)
CASH AND INVESTMENTS, JANUARY 1	8,906	8,906	4,949	4,949	10,876	10,876
CASH AND INVESTMENTS, DECEMBER 31	$ 4,931	$ 5,789	$ 5,019	$ 4,422	$ 8,426	$ 8,127

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	RECORDERS TECHNOLOGY FUND		PROSECUTING ATTORNEY RETIREMENT FUND		TAX MAINTENANCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	1,500	1,919	-	-	15,000	16,381
Interest	3	20	7	22	700	795
Other	-	-	-	-	-	160
Transfers in	-	-	3,366	3,347	-	-
Total Receipts	$ 1,503	$ 1,939	$ 3,373	$ 3,369	$ 15,700	$ 17,336
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	3,366	3,366	-	-
Materials and supplies	-	-	-	-	3,000	2,542
Services and other	2,500	2,542	-	-	11,600	3,842
Capital outlay	-	-	-	-	9,000	1,145
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 2,500	$ 2,542	$ 3,366	$ 3,366	$ 23,600	$ 7,529
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (997)	$ (603)	$ 7	$ 3	$ (7,900)	$ 9,807
CASH AND INVESTMENTS, JANUARY 1	1,399	1,399	3,369	3,369	67,774	67,774
CASH AND INVESTMENTS, DECEMBER 31	$ 402	$ 796	$ 3,376	$ 3,372	$ 59,874	$ 77,581

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	1/2 CENT SALES TAX LAW ENFORCEMENT FUND		EAGLEVILLE CEMETERY FUND		JUVENILE RESTITUTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	600,000	602,868	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	157,600	183,618	-	-	1,917	175
Interest	200	700	300	440	-	22
Other	-	-	10	-	-	-
Transfers in	70,000	35,000	-	-	-	-
Total Receipts	$ 827,800	$ 822,186	$ 310	$ 440	$ 1,917	$ 197
DISBURSEMENTS						
Salaries	$ 364,156	$ 356,686	$ -	$ -	$ -	$ -
Employee fringe benefits	116,381	102,756	-	-	-	-
Materials and supplies	9,000	7,048	-	-	-	-
Services and other	177,655	132,570	2,500	2,086	1,917	-
Capital outlay	122,690	130,123	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	37,500	37,500	-	-	-	-
Total Disbursements	$ 827,382	$ 766,683	$ 2,500	$ 2,086	$ 1,917	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 418	$ 55,503	$ (2,190)	$ (1,646)	$ -	$ 197
CASH AND INVESTMENTS, JANUARY 1	33,349	33,349	42,832	42,832	1,980	1,980
CASH AND INVESTMENTS, DECEMBER 31	$ 33,767	$ 88,852	$ 40,642	$ 41,186	$ 1,980	$ 2,177

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	FEMA/SEMA FUND		PROSECUTING ATTORNEY DELINQUENT TAX FUND		SENIOR CITIZENS' TAX BOARD FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ 55,000	$ 58,090
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	25	473	-	-	-	251
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 25	$ 473	$ -	$ -	$ 55,000	$ 58,341
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	-	-	-	-	55,000	51,875
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	54,051	54,000	-	-	-	-
Total Disbursements	$ 54,051	$ 54,000	$ -	$ -	$ 55,000	$ 51,875
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (54,026)	$ (53,527)	$ -	$ -	$ -	$ 6,466
CASH AND INVESTMENTS, JANUARY 1	54,051	54,051	-	-	13,687	13,687
CASH AND INVESTMENTS, DECEMBER 31	$ 25	$ 524	$ -	$ -	$ 13,687	$ 20,153

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	LEAH TRULLINGER ENDOWMENT FUND		COUNTY SHERIFF'S REVOLVING FUND		INMATE PRISONER DETAINEE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	600	1,260	32,000	37,463
Interest	3	5	79	182	361	831
Other	4,000	7,389	-	-	-	-
Transfers in	-	531	-	-	-	-
Total Receipts	$ 4,003	$ 7,925	$ 679	$ 1,442	$ 32,361	$ 38,294
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Services and other	3,500	5,261	400	135	-	-
Capital outlay	-	-	-	-	58,928	45,476
Construction	-	-	-	-	-	-
Transfers out	-	-	5,000	-	-	-
Total Disbursements	$ 3,500	$ 5,261	$ 5,400	$ 135	$ 58,928	$ 45,476
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 503	$ 2,664	$ (4,721)	$ 1,307	$ (26,567)	$ (7,182)
CASH AND INVESTMENTS, JANUARY 1	295,818	295,818	16,827	16,827	86,879	86,879
CASH AND INVESTMENTS, DECEMBER 31	$ 296,321	$ 298,482	$ 12,106	$ 18,134	$ 60,312	$ 79,697

The accompanying Notes to the Financial Statements are an integral part of these statements.

HARRISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	LAW ENFORCEMENT RESTITUTION FUND		ADMINISTRATIVE HANDLING FEE FUND	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	35,000	15,875	-	399
Interest	300	407	-	20
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	$ 35,300	$ 16,282	$ -	$ 419
DISBURSEMENTS				
Salaries	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	24,000	15,208	-	-
Capital outlay	10,000	7,198	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	$ 34,000	$ 22,406	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,300	$ (6,124)	$ -	$ 419
CASH AND INVESTMENTS, JANUARY 1	42,610	42,610	1,647	1,647
CASH AND INVESTMENTS, DECEMBER 31	$ 43,910	$ 36,486	$ 1,647	$ 2,066

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

HARRISON COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

Fund/Account	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
Treasurer Certificate of Deposit (Walnut Pork)	$ 31,422	$ 242	$ -	$ 31,664
Treasurer Intangible Tax	203	3	206	-
Treasurer Over Surplus Property	2,663	28	-	2,691
Treasurer Fines	-	313,013	313,013	-
Treasurer CERF	-	132,157	132,157	-
Treasurer Unclaimed Property	-	2,350	2,350	-
Treasurer Senior Citizens	-	58,117	58,117	-
Collector Main	5,597,052	9,917,589	9,250,758	6,263,883
Collector Tax Installment	9,200	301,929	299,231	11,898
Collector Taxes Paid Under Protest	34,478	190	-	34,668
County Clerk Federal Tax Payment	-	207,140	205,062	2,078
Recorder	4,833	64,859	64,366	5,326
Sheriff Commisary	22,568	67,329	69,916	19,981
Sheriff Department	17,986	270,967	288,980	(27)
Prosecuting Attorney	2,350	24,106	26,456	-
Prosecuting Attorney LERF	-	2,750	2,750	-
Public Administrator	676,419	1,445,805	1,337,864	784,360
Total	$ 6,399,174	$ 12,808,574	$ 12,051,226	$ 7,156,522

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Harrison County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, Circuit Clerk/Ex-Officio Recorder, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Harrison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector/Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2018
Domestic Violence	✓
POST Commission Training	✓
Recorders Technology	✓
Leah Trullinger Endowment	✓

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018, for purposes of taxation were:

	2018
Real Estate	$ 77,996,438
Personal Property	35,293,687
Railroad and Utilities	8,081,321
Total	$ 121,371,446

For calendar years 2018, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018
General Revenue	$ 0.3714
Senior Citizens' Tax Board	0.0491

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, the carrying amount of the County's deposits was $3,781,997, and the bank balance was $3,978,621. Of the bank balance, $520,153 was covered by federal depository insurance at December 31, 2018. The remainder of the balance at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018, the carrying amount of the County's custodial funds was $7,156,522 and the bank balance was $5,628,274. Of the bank balance, $874,238 was covered by federal depository insurance at December 31, 2018. The remainder of the balance at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit

clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2018, the County collected and remitted to CERF employee withholdings and fees collected of $132,157 for the year then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $3,366 for the year ended December 31, 2018.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with 3.33 hours per calendar month worked of compensated sick leave, or 40 hours in a one year period, up to a maximum of 30 days. Vacation time is accrued for every full-time employee, beginning with the first year of employment at a rate of ten days per year. Employees with two to eight years of employment earn 12 days per year of vacation leave; nine to 13 years of employment earn 15 days per year of vacation leave; 14 to 18 years of employment earn 18 days of vacation leave; and 19 or more years of employment earns 21 days per year. Any days not used by the end of the year (anniversary date of hire) will be lost. Upon separation (resignation, death or termination), an employee may receive compensation for unused accrued vacation leave to the date of termination.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

A. The County entered into an agreement with BNY Mellon for Certificates of Participation as of June 1, 2012. The agreement was entered to improve buildings and facilities of the County to reduce energy consumption or operating costs, including heating and air conditioning and energy efficient lighting. Principal payments are made annually in May and interest is paid semi-annually at 3%. The final payment is scheduled for May 2022. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 144,000	$ 15,900	$ 159,900
2020	148,000	13,710	161,710
2021	153,000	7,005	160,005
2022	157,000	2,355	159,355
Totals	$ 602,000	$ 38,970	$ 640,970

B. The County entered into a two year, $99,500 capital lease for a John Deere 41 OL Loader Backhoe for the Road & Bridge Department on January 15, 2017. The lease is scheduled to be paid in annual payments of $26,418, which includes interest of 3.5%, with the final payment scheduled on March 15, 2019. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	25,511	907	26,418
Totals	$ 25,511	$ 907	$ 26,418

C. The County entered into a 60 month, $149,962 capital lease for an Airbus Vesta 911 telephone system on February 23, 2018. The lease is scheduled to be paid in monthly payments of $2,932, which includes interest of 6.6%, and a purchase option of $1. The first payment was made in August 2018 and the final payment is scheduled to be made in July 2023. The schedule of remaining payments is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	26,722	8,459	35,181
2020	28,546	6,635	35,181
2021	30,536	4,645	35,181
2022	32,644	2,537	35,181
2023	20,073	449	20,522
Totals	$ 138,521	$ 22,725	$ 161,246

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
Certificates of Participation	$ 741,000	$ -	$ (139,000)	$ 602,000	$ 20,415
John Deere Backhoe	50,000	-	(24,489)	25,511	1,929
Airbus Vesta 911 System	-	149,962	11,441	138,521	3,218

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 9, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Harrison County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Harrison County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Harrison County, Missouri's basic financial statements and have issued our report thereon dated August 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Harrison County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Harrison County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Harrison County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Harrison County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and recommendations as items 2018-001 and 2018-002.

Harrison County, Missouri's Responses to Findings

Harrison County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Harrison County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2019

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2018-001: Budgetary Controls

Criteria: Missouri statutes prohibit approving expenditures in excess of budgeted amounts.

Condition: Actual expenditures exceeded budgeted expenditures for four funds in 2018. The detailed list of funds can be found in Note 1.D.10 to the financial statements.

Cause: Expenditures were approved in excess of budgeted amounts and the budgets were not amended.

Effect: Budgetary controls are significant to the proper management and custodianship of County funds. Compliance with statutory requirements related to budgets will improve controls over County funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget.

County's Response: The Harrison County Clerk, in office in 2018, retired at the end of that year. It was not brought to the attention of the County Commissioners that there was a necessity to amend the budget to actual expenditures; and, therefore, it was not done.

It is the intent of the current County Clerk to carefully watch each fund for comparison of budget to expenditures, and monitor the budget for areas that might be reaching the point of over-expenditure, thus avoiding this issue in the future.

This is going to be accomplished by running an expenditure report monthly, and presenting it to the Commissioners for review to ensure that no expenditures are in excess of the approved budget. Funds such as Domestic Violence and Leah Trullinger Endowment are funds that expenditures simply match the amount of revenue received, and the budget should be amended at the end of the year so the revenue and expenditures match instead of showing over-spent.

Auditor's Response: The response is appropriate to correct the concern.

2018-002: Absence of Investment Policy

Criteria: Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

Condition: The County has not adopted an investment policy as required by state statute.

Cause: The County Commission reached out to counsel to review and adopt a formal written policy, but had not followed through by the end of the fiscal year.

Effect: Adoption of a written investment policy commits a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually as required by state statute.

County's Response: The County Commissioners have again contacted counsel to prepare an investment policy. The attorney has assured us he intends to have a policy ready for approval by the Commissioners by Monday, August 26, 2019.

Auditor's Response: The response is appropriate to correct the concern.

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2018, we considered Harrison County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 9, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Sheriff Account Negative Book Balance

The Sheriff Department account is being reconciled to a negative book balance of $27 each month. The Sheriff Department turns over the entire balance of funds collected each month to the Treasurer. When turning over the prior month's funds, the account is reconciled to negative book balance of $27. If the Sheriff Department did not receive at least $27 of receipts prior to the turnover, the account would be overdrawn. However, review of the 2018 bank statements did not show that the account had been overdrawn. We recommend that the Sheriff Department resolve the deficiency of $27 to return the book balance after the monthly turnover to $0.

Procurement Procedures

The Sheriff's office credit card procedures require a fuel log to be filled out when a purchase is made, including the mileage of the vehicle at the time of the purchase and the number of gallons purchased. The fuel logs are to be returned, along with the receipt, to the Sheriff's office and reconciled to the statements prior to submitting the bill to the County Clerk's office for payment. One of two MFA Oil Company fuel credit card payments that was tested during the audit did not include all accompanying fuel logs as required by the Sheriff's credit card policy. The total for transactions that did not include supporting documentation was $190. We recommend the Sheriff's office ensure that all fuel logs supporting fuel card charges are obtained and reconciled to the statements.

HARRISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Harrison County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2017 and 2016.

2017-001: There is a lack of segregation of duties over the cash receipt and cash disbursement processes in the Sheriff's office.

Status: Resolved. As a result of our prior audit recommendations, the Sheriff's office implemented additional oversight in December 2018.

2017-002: The County does not maintain records of each employee's current approved rate of pay.

Status: Resolved.

2017-003: The Sheriff's office did not maintain all accompanying fuel log reports as required by the Sheriff's credit card policy.

Status: Resolved. The condition of the finding in the current audit period did not rise to the level of a significant deficiency.

2017-004: Actual expenditures exceeded budgeted expenditures for three funds in 2016 and five funds in 2017. Additionally, the Senior Citizens' Tax Board budgeted a negative fund balance in 2017.

Status: Partially resolved. See finding 2018-001.

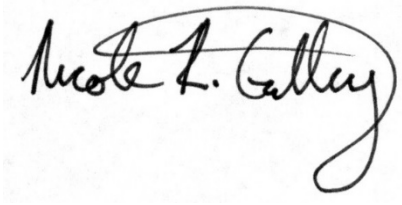
2017-005: The County has not adopted an investment policy as required by state statute.

Status: Repeated. See finding 2018-002.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dunklin County, Missouri

The Office of the State Auditor contracted for an audit of Dunklin County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-091

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Dunklin County

2018-001 Absence of Investment Policy	The County adopt an investment policy and review compliance with this policy at least annually as required by state statute.
Bank Reconciliations	The Prosecuting Attorney implement procedures to ensure that stale outstanding checks are followed up in a timely manner and removed from the bank reconciliation when it becomes apparent that checks will not be cashed. Checks that have remained unclaimed for more than three years are deemed abandoned and are required to be turned over immediately to the State Treasurer pursuant to state statutes. We also recommend that the Prosecuting Attorney ensure that bank reconciliations are accurate and properly reconciled between book and bank balance and that any issues are addressed in a timely manner.
Senate Bill 40 Board Collateral	The Senate Bill 40 Board ensure that all deposits of public funds in excess of FDIC deposit insurance are properly secured in compliance with state statutes.

ANNUAL FINANCIAL REPORT

DUNKLIN COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

DUNKLIN COUNTY, MISSOURI

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INTRODUCTORY SECTION

DUNKLIN COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Don Collins

Commissioner 1st District – Ron Huber

Commissioner 2nd District – Patrick McHaney

Other Elected Officials

Assessor – Karen Vandiver

Circuit Clerk – Paula Gargus

Collector/Treasurer – Kathy Rasberry

County Clerk – Kent Hampton

Coroner – James B. Powell

Prosecuting Attorney – Jeff McCormick

Public Administrator – Matthew W. Jackson

Recorder – Susan Luce

Sheriff – Bob Holder

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: 816-221-4559, F: 816-221-4563
E: admin@mcbridelock.com
McBRIDE, LOCK & ASSOCIATES, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Dunklin County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Dunklin County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Dunklin County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Dunklin County, Missouri, as of December 31, 2017 and 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Dunklin County, Missouri, as of December 31, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we also have issued our report dated August 15, 2019, on our consideration of Dunklin County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dunklin County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 15, 2019

Exhibit A

DUNKLIN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Cash Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Cash Equivalents December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Cash Equivalents December 31, 2018
General Revenue	$ 1,640,286	$ 4,974,975	$ 4,613,867	$ 2,001,394	$ 6,287,764	$ 5,255,477	$ 3,033,681
Special Road & Bridge	625,416	870,284	863,687	632,013	863,222	870,339	624,896
Assessment	174,824	396,142	336,637	234,329	360,646	399,986	194,989
Law Enforcement Sales Tax	1,076,939	1,493,197	1,392,702	1,177,434	1,464,249	1,362,285	1,279,398
Johnson Grass	119,324	7,746	15,457	111,613	7,199	15,021	103,791
Recorder's User	15,278	13,128	9,093	19,313	13,976	6,747	26,542
Prosecuting Attorney Training	62	2,554	2,616	-	1,275	1,275	-
Law Enforcement Training	4,232	2,242	-	6,474	2,167	250	8,391
Emergency 911	130,817	146,131	143,638	133,310	127,792	134,308	126,794
Victims of Domestic Violence	4,044	1,900	-	5,944	1,841	-	7,785
Domestic Violence Shelters	4,411	2,113	-	6,524	2,165	-	8,689
Prosecuting Attorney Bad Check	37,852	11,897	20,871	28,878	13,391	19,691	22,578
Dunklin County Law Enforcement Restitution	41,866	53,166	21,513	73,519	50,515	25,518	98,516
Prosecuting Attorney Delinquent Tax	4,344	2,441	6,511	274	647	-	921
Sheriff Civil Fees	44,901	26,516	24,550	46,867	37,521	31,901	52,487
Sheriff Concealed Weapon	174,782	14,500	17,078	172,204	17,018	18,111	171,111
County Clerk Discretionary	3,953	7,862	4,038	7,777	6,848	4,028	10,597
Drainage District #12	11,273	122	-	11,395	182	-	11,577
Drainage District #23	122	1	-	123	2	-	125
Drainage District #25	381	4	-	385	7	-	392
Drainage District #48	31,206	35,138	17,845	48,499	28,808	42,473	34,834
Levee #4	153,893	24,042	6,268	171,667	25,987	8,440	189,214
Levee #7	56,379	23,811	24,313	55,877	25,706	15,438	66,145
Rant Grant	-	21,495	21,495	-	8,808	8,808	-
Off System Bridge	-	22,856	22,856	-	33,957	33,957	-
Inmate Security	861	314,811	315,672	-	377,436	328,096	49,340
Tax Maintenance	33,016	65,437	48,901	49,552	75,170	61,599	63,123
Law Enforcement Block Grant	-	801	801	-	-	-	-
SEMO FTC Grant	-	34,734	34,734	-	312,255	312,255	-
Senate Bill 40 Board	387,712	338,699	461,145	265,266	250,258	259,318	256,206
Sheriff's Revolving	123	-	123	-	-	-	-
Total	$ 4,778,297	$ 8,908,745	$ 8,426,411	$ 5,260,631	$ 10,396,812	$ 9,215,321	$ 6,442,122

The accompanying Notes to the Financial Statements are an integral part of this statement.

DUNKLIN COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 5,499	$ 5,499	$ 10,358	$ 10,358
Sales taxes	1,667,759	1,667,759	2,942,342	2,942,342
Intergovernmental	2,032,119	2,032,119	2,040,086	2,040,086
Charges for services	813,283	813,283	790,779	790,779
Interest	19,909	19,909	39,842	39,842
Other	41,567	41,406	44,357	44,357
Transfers in	395,000	395,000	420,000	420,000
Total Receipts	$ 4,975,136	$ 4,974,975	$ 6,287,764	$ 6,287,764
DISBURSEMENTS				
County Commission	$ 304,690	$ 304,690	$ 323,309	$ 323,309
County Clerk	138,160	138,160	154,305	154,305
Elections	109,738	109,738	113,050	113,050
Buildings and grounds	338,186	338,186	351,033	351,033
Employee fringe benefits	810,579	786,718	840,619	826,534
Collector/Treasurer	153,235	153,235	172,460	172,460
Recorder of Deeds	102,645	102,645	113,653	113,653
Circuit Clerk	56,925	56,925	55,169	55,169
Court administration	11,817	11,817	20,442	20,442
Public Administrator	127,191	127,191	141,634	141,634
Sheriff	807,947	807,947	964,814	964,814
Jail	988,662	988,662	1,357,065	1,357,065
Prosecuting Attorney	306,713	306,713	316,549	316,549
Juvenile Officer	159,505	159,505	153,998	153,998
Coroner	61,462	61,462	62,064	62,064
Paternity Unit	85,129	85,129	94,864	94,864
Public Health and Welfare Services	28,494	28,494	17,570	17,570
Transfers Out	46,650	46,650	16,964	16,964
Total Disbursements	$ 4,637,728	$ 4,613,867	$ 5,269,562	$ 5,255,477
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 337,408	$ 361,108	$ 1,018,202	$ 1,032,287
CASH AND CASH EQUIVALENTS , JANUARY 1	1,640,286	1,640,286	2,001,394	2,001,394
CASH AND CASH EQUIVALENTS, DECEMBER 3	$ 1,977,694	$ 2,001,394	$ 3,019,596	$ 3,033,681

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	865,976	865,976	857,013	857,013	377,274	377,274	336,606	336,606
Charges for services	-	-	-	-	3,192	3,192	4,272	4,272
Interest	4,308	4,308	6,209	6,209	2,676	2,676	3,893	3,893
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	13,000	13,000	15,875	15,875
Total Receipts	$ 870,284	$ 870,284	$ 863,222	$ 863,222	$ 396,142	$ 396,142	$ 360,646	$ 360,646
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 203,105	$ 203,106	$ 251,502	$ 251,502
Employee fringe benefits	-	-	-	-	67,934	65,692	80,749	79,020
Materials and supplies	-	-	-	-	13,571	13,571	12,164	12,164
Services and other	-	-	-	-	51,990	51,990	55,939	55,939
Capital outlay	-	-	-	-	2,278	2,278	1,361	1,361
Construction	833,687	833,687	840,339	840,339	-	-	-	-
Transfers out	30,000	30,000	30,000	30,000	-	-	-	-
Total Disbursements	$ 863,687	$ 863,687	$ 870,339	$ 870,339	$ 338,878	$ 336,637	$ 401,715	$ 399,986
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 6,597	$ 6,597	$ (7,117)	$ (7,117)	$ 57,264	$ 59,505	$ (41,069)	$ (39,340)
CASH AND CASH EQUIVALENTS, JANUARY 1	625,416	625,416	632,013	632,013	174,824	174,824	234,329	234,329
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 632,013	$ 632,013	$ 624,896	$ 624,896	$ 232,088	$ 234,329	$ 193,260	$ 194,989

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

DUNKLIN COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				JOHNSON GRASS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 6,314	$ 6,314	$ 5,172	$ 5,172
Sales taxes	1,443,984	1,443,984	1,438,140	1,438,140	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	32,637	32,637	1,800	1,800	-	-	-	-
Interest	16,576	16,576	24,309	24,309	1,432	1,432	2,027	2,027
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,493,197	$ 1,493,197	$ 1,464,249	$ 1,464,249	$ 7,746	$ 7,746	$ 7,199	$ 7,199
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	756	756	321	321
Services and other	132,284	132,284	166,257	166,257	14,701	14,701	14,700	14,700
Capital outlay	910,418	910,418	946,028	946,028	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	350,000	350,000	250,000	250,000	-	-	-	-
Total Disbursements	$ 1,392,702	$ 1,392,702	$ 1,362,285	$ 1,362,285	$ 15,457	$ 15,457	$ 15,021	$ 15,021
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 100,495	$ 100,495	$ 101,964	$ 101,964	$ (7,711)	$ (7,711)	$ (7,822)	$ (7,822)
CASH AND CASH EQUIVALENTS, JANUARY 1	1,076,939	1,076,939	1,177,434	1,177,434	119,324	119,324	111,613	111,613
CASH AND CASH EQUIVALENTS , DECEMBER 31	$ 1,177,434	$ 1,177,434	$ 1,279,398	$ 1,279,398	$ 111,613	$ 111,613	$ 103,791	$ 103,791

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S USER FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	13,188	12,931	13,596	13,596	1,975	1,975	524	524
Interest	197	197	380	380	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	579	579	751	751
Total Receipts	$ 13,385	$ 13,128	$ 13,976	$ 13,976	$ 2,554	$ 2,554	$ 1,275	$ 1,275
DISBURSEMENTS								
Salaries	$ 3,551	$ 3,551	$ 3,762	$ 3,762	$ -	$ -	$ -	$ -
Employee fringe benefits	419	419	423	408	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,409	5,123	2,577	2,577	2,616	2,616	1,275	1,275
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 9,379	$ 9,093	$ 6,762	$ 6,747	$ 2,616	$ 2,616	$ 1,275	$ 1,275
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 4,006	$ 4,035	$ 7,214	$ 7,229	$ (62)	$ (62)	$ -	$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	15,278	15,278	19,313	19,313	62	62	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 19,284	$ 19,313	$ 26,527	$ 26,542	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				EMERGENCY 911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,184	2,183	2,048	2,048	144,394	144,651	125,474	125,474
Interest	59	59	119	119	1,480	1,480	2,318	2,318
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,243	$ 2,242	$ 2,167	$ 2,167	$ 145,874	$ 146,131	$ 127,792	$ 127,792
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 15,950	$ 15,950	$ 15,550	$ 15,550
Employee fringe benefits	-	-	-	-	1,303	1,235	1,296	1,309
Materials and supplies	-	-	-	-	6,582	6,582	8,083	8,083
Services and other	-	-	250	250	77,918	77,918	82,413	82,413
Capital outlay	-	-	-	-	26,953	26,953	26,953	26,953
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	15,000	15,000	-	-
Total Disbursements	$ -	$ -	$ 250	$ 250	$ 143,706	$ 143,638	$ 134,295	$ 134,308
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 2,243	$ 2,242	$ 1,917	$ 1,917	$ 2,168	$ 2,493	$ (6,503)	$ (6,516)
CASH AND CASH EQUIVALENTS, JANUARY 1	4,232	4,232	6,474	6,474	130,817	130,817	133,310	133,310
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 6,475	$ 6,474	$ 8,391	$ 8,391	$ 132,985	$ 133,310	$ 126,807	$ 126,794

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTIMS OF DOMESTIC VIOLENCE FUND				DOMESTIC VIOLENCE SHELTERS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,844	1,845	1,731	1,731	2,053	2,053	2,042	2,042
Interest	55	55	110	110	60	60	123	123
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,899	$ 1,900	$ 1,841	$ 1,841	$ 2,113	$ 2,113	$ 2,165	$ 2,165
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-		-	-	-	-
Total Disbursements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,899	$ 1,900	$ 1,841	$ 1,841	$ 2,113	$ 2,113	$ 2,165	$ 2,165
CASH AND CASH EQUIVALENTS, JANUARY 1	4,044	4,044	5,944	5,944	4,411	4,411	6,524	6,524
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 5,943	$ 5,944	$ 7,785	$ 7,785	$ 6,524	$ 6,524	$ 8,689	$ 8,689

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				DUNKLIN COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	11,532	11,532	12,995	12,995	52,514	52,514	49,113	49,113
Interest	365	365	396	396	652	652	1,402	1,402
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 11,897	$ 11,897	$ 13,391	$ 13,391	$ 53,166	$ 53,166	$ 50,515	$ 50,515
DISBURSEMENTS								
Salaries	$ 6,474	$ 6,502	$ 3,133	$ 3,221	$ 4,792	$ 4,792	$ 4,375	$ 4,375
Employee fringe benefits	8,628	8,628	12,040	12,040	4,813	4,813	5,541	5,541
Materials and supplies	5,162	5,162	3,679	3,679	-	-	-	-
Services and other	-	-	-	-	1,625	1,625	2,000	2,000
Capital outlay	-	-	-	-	10,302	10,283	13,570	13,602
Construction	-	-	-	-	-	-	-	-
Transfers out	579	579	751	751	-	-	-	-
Total Disbursements	$ 20,843	$ 20,871	$ 19,603	$ 19,691	$ 21,532	$ 21,513	$ 25,486	$ 25,518
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (8,946)	$ (8,974)	$ (6,212)	$ (6,300)	$ 31,634	$ 31,653	$ 25,029	$ 24,997
CASH AND CASH EQUIVALENTS, JANUARY 1	37,852	37,852	28,878	28,878	41,866	41,866	73,519	73,519
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 28,906	$ 28,878	$ 22,666	$ 22,578	$ 73,500	$ 73,519	$ 98,548	$ 98,516

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				SHERIFF CIVIL FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,437	2,437	637	637	-	-	-	-
Charges for services	-	-	-	-	25,919	25,919	36,772	36,772
Interest	4	4	10	10	474	474	749	749
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	123	123	-	-
Total Receipts	$ 2,441	$ 2,441	$ 647	$ 647	$ 26,516	$ 26,516	$ 37,521	$ 37,521
DISBURSEMENTS								
Salaries	$ 2,267	$ 2,267	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	4,244	4,244	-	-	-	-	-	-
Materials and supplies	-	-	-	-	24,550	24,550	31,901	31,901
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,511	$ 6,511	$ -	$ -	$ 24,550	$ 24,550	$ 31,901	$ 31,901
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (4,070)	$ (4,070)	$ 647	$ 647	$ 1,966	$ 1,966	$ 5,620	$ 5,620
CASH AND CASH EQUIVALENTS, JANUARY 1	4,344	4,344	274	274	44,901	44,901	46,867	46,867
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 274	$ 274	$ 921	$ 921	$ 46,867	$ 46,867	$ 52,487	$ 52,487

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF CONCEALED WEAPON FUND				COUNTY CLERK DISCRETIONARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	6,109	6,109	5,553	5,553
Charges for services	14,500	14,500	17,018	17,018	1,769	1,683	1,135	1,135
Interest	-	-	-	-	70	70	160	160
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 14,500	$ 14,500	$ 17,018	$ 17,018	$ 7,948	$ 7,862	$ 6,848	$ 6,848
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 3,098	$ 3,416	$ 3,557	$ 3,631
Employee fringe benefits	-	-	-	-	622	622	397	397
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	17,078	17,078	18,111	18,111	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 17,078	$ 17,078	$ 18,111	$ 18,111	$ 3,720	$ 4,038	$ 3,954	$ 4,028
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,578)	$ (2,578)	$ (1,093)	$ (1,093)	$ 4,228	$ 3,824	$ 2,894	$ 2,820
CASH AND CASH EQUIVALENTS, JANUARY 1	174,782	174,782	172,204	172,204	3,953	3,953	7,777	7,777
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 172,204	$ 172,204	$ 171,111	$ 171,111	$ 8,181	$ 7,777	$ 10,671	$ 10,597

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #12 FUND				DRAINAGE DISTRICT #23 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	122	122	182	182	1	1	2	2
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 122	$ 122	$ 182	$ 182	$ 1	$ 1	$ 2	$ 2
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 122	$ 122	$ 182	$ 182	$ 1	$ 1	$ 2	$ 2
CASH AND CASH EQUIVALENTS, JANUARY 1	11,273	11,273	11,395	11,395	122	122	123	123
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 11,395	$ 11,395	$ 11,577	$ 11,577	$ 123	$ 123	$ 125	$ 125

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #25 FUND				DRAINAGE DISTRICT #48 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 34,595	$ 34,595	$ 28,210	$ 28,210
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	4	4	6	7	543	543	598	598
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 4	$ 4	$ 6	$ 7	$ 35,138	$ 35,138	$ 28,808	$ 28,808
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	17,845	17,845	42,473	42,473
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ -	$ -	$ 17,845	$ 17,845	$ 42,473	$ 42,473
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 4	$ 4	$ 6	$ 7	$ 17,293	$ 17,293	$ (13,665)	$ (13,665)
CASH AND CASH EQUIVALENTS, JANUARY 1	381	381	385	385	31,206	31,206	48,499	48,499
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 385	$ 385	$ 391	$ 392	$ 48,499	$ 48,499	$ 34,834	$ 34,834

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LEVEE #4 FUND				LEVEE #7 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 22,278	$ 22,277	$ 23,082	$ 23,082	$ 23,168	$ 23,168	$ 24,626	$ 24,626
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,765	1,765	2,905	2,905	643	643	1,080	1,080
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 24,043	$ 24,042	$ 25,987	$ 25,987	$ 23,811	$ 23,811	$ 25,706	$ 25,706
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	6,268	6,268	8,441	8,440	24,313	24,313	15,439	15,438
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,268	$ 6,268	$ 8,441	$ 8,440	$ 24,313	$ 24,313	$ 15,439	$ 15,438
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 17,775	$ 17,774	$ 17,546	$ 17,547	$ (502)	$ (502)	$ 10,267	$ 10,268
CASH AND CASH EQUIVALENTS, JANUARY 1	153,893	153,893	171,667	171,667	56,379	56,379	55,877	55,877
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 171,668	$ 171,667	$ 189,213	$ 189,214	$ 55,877	$ 55,877	$ 66,144	$ 66,145

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RANT GRANT FUND				OFF SYSTEM BRIDGE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	21,495	21,495	8,808	8,808	22,856	22,856	33,957	33,957
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 21,495	$ 21,495	$ 8,808	$ 8,808	$ 22,856	$ 22,856	$ 33,957	$ 33,957
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	21,495	21,495	8,808	8,808	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	22,856	22,856	33,957	33,957
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 21,495	$ 21,495	$ 8,808	$ 8,808	$ 22,856	$ 22,856	$ 33,957	$ 33,957
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	286,185	286,185	376,094	376,094	64,966	64,966	74,416	74,416
Interest	318	318	1,342	1,342	471	471	754	754
Other	-	-	-	-	-	-	-	-
Transfers in	28,308	28,308	-	-	-	-	-	-
Total Receipts	$ 314,811	$ 314,811	$ 377,436	$ 377,436	$ 65,437	$ 65,437	$ 75,170	$ 75,170
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 36,954	$ 36,953	$ 46,724	$ 46,724
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	11,948	11,948	14,875	14,875
Services and other	315,672	315,672	188,096	188,096	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	140,000	140,000	-	-	-	-
Total Disbursements	$ 315,672	$ 315,672	$ 328,096	$ 328,096	$ 48,902	$ 48,901	$ 61,599	$ 61,599
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (861)	$ (861)	$ 49,340	$ 49,340	$ 16,535	$ 16,536	$ 13,571	$ 13,571
CASH AND CASH EQUIVALENTS, JANUARY 1	861	861	-	-	33,016	33,016	49,552	49,552
CASH AND CASH EQUIVALENTSS, DECEMBER 31	$ -	$ -	$ 49,340	$ 49,340	$ 49,551	$ 49,552	$ 63,123	$ 63,123

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT BLOCK GRANT FUND				SEMO FTC GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	787	787	-	-	29,406	29,406	311,166	311,166
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	14	14	-	-	5,328	5,328	1,089	1,089
Total Receipts	$ 801	$ 801	$ -	$ -	$ 34,734	$ 34,734	$ 312,255	$ 312,255
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 17,500	$ 16,376	$ 75,833	$ 75,898
Employee fringe benefits	-	-	-	-	1,288	1,288	22,125	22,125
Materials and supplies	-	-	-	-	4,892	4,892	11,393	11,393
Services and other	801	801	-	-	12,178	12,178	202,839	202,839
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 801	$ 801	$ -	$ -	$ 35,858	$ 34,734	$ 312,190	$ 312,255
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (1,124)	$ -	$ 65	$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ -	$ -	$ -	$ -	$ (1,124)	$ -	$ 65	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

DUNKLIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40 BOARD FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 300,000	$ 328,771	$ 300,000	$ 248,733	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,200	1,218	-	1,525	-	-	-	-
Other	-	8,710	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 301,200	$ 338,699	$ 300,000	$ 250,258	$ -	$ -	$ -	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,000	1,958	3,500	1,521	-	-	-	-
Services and other	456,082	459,187	353,250	257,797	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	123	-	-
Total Disbursements	$ 458,082	$ 461,145	$ 356,750	$ 259,318	$ -	$ 123	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (156,882)	$ (122,446)	$ (56,750)	$ (9,060)	$ -	$ (123)	$ -	$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	387,712	387,712	265,266	265,266	123	123	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 230,830	$ 265,266	$ 208,516	$ 256,206	$ 123	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

DUNKLIN COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Cash Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Cash Equivalents December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Cash Equivalents December 31, 2018
Treasurer Principal County Schools	$ 56,045	$ 704,697	$ 708,654	$ 52,088	$ 704,637	$ 709,173	$ 47,552
Treasurer Schools	3,458	10,557	3,463	10,552	275	10,574	253
Treasurer Financial Institution Tax	115,164	69,335	115,389	69,110	41,625	69,497	41,238
Treasurer Surplus Certificate Bids	2,314	1,598	420	3,492	-	-	3,492
Treasurer CERF	-	171,442	171,442	-	258,851	258,851	-
Treasurer State Tax	-	100,526	100,526	-	94,964	94,964	-
Collector's Account	7,454,439	17,292,077	17,369,069	7,377,447	17,970,934	16,920,902	8,427,479
Recorder of Deeds	13,611	165,104	165,191	13,524	166,340	167,309	12,555
Prosecuting Attorney	(2,539)	155,091	153,150	(598)	157,124	150,745	5,781
Sheriff	8,946	232,003	231,170	9,779	218,279	216,951	11,107
Sheriff Justice Center	77,992	379,447	383,339	74,100	370,069	372,201	71,968
Sheriff Inmate Commissary	451	-	-	451	-	-	451
Public Administrator	956,504	2,497,708	1,912,193	1,542,019	3,861,358	2,280,524	3,122,853
Total	$ 8,686,385	$ 21,779,585	$ 21,314,006	$ 9,151,964	$ 23,844,456	$ 21,251,691	$ 11,744,729

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dunklin County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Dunklin County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector/Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. However, the County budgeted a deficit balance for the SEMO FTC Grant Fund in 2017.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting. A formal budget was not prepared for the Sheriff's Revolving Fund in 2017. This was an inactive fund with a leftover balance for several years that was closed out by transferring the remaining balance.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2018	2017
Emergency 911	✓	N/A
Prosecuting Attorney Bad Check	✓	✓
Dunklin County Law Enforcement Restitution	✓	N/A
County Clerk Discretionary	✓	✓
SEMO FTC Grant	✓	N/A
Senate Bill 40 Board	N/A	✓

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	2018	2017
Real Estate	$ 205,498,800	$ 205,762,480
Personal Property	84,931,524	86,248,970
Railroad and Utilities	17,553,279	17,160,532
Total	$ 307,983,603	$ 309,171,982

For calendar years 2018 and 2017, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018	2017
Senate Bill 40 Board	0.1000	0.1000

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at

third-party banking institutions. Details of these cash and cash equivalent balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents includes deposits and short-term investments with maturities that are less than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County's deposits were $6,442,122 and $5,260,631, respectively, and the bank balances were $6,584,730 and $5,299,791, respectively. Of the bank balances, $500,000 and $500,000 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name, except for $6,206 and $15,266 of Senate Bill 40 Board deposits that were unsecured as of December 31, 2018 and 2017, respectively.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and cash equivalents listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the carrying amounts of the County's custodial funds were $11,744,729 and $9,151,964, respectively, and the bank balances were $12,365,698 and $9,655,726, respectively. Of the bank balances, $2,107,237 and $1,729,187 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Dunklin County participates in the Missouri Local Government Employees Retirement

System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Dunklin County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 3.9% and 4.8% (General), and 1.6% and .6% (Police) of annual covered payroll for 2018 and 2017, respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2018 and 2017, the County contributed $196,319 and $184,828 to LAGERS.

4) Funding Status

As of February 28, 2018, the actuarial value of plan assets exceeded the accrued liabilities of the plan by $533,956 for the General division and $244,139 for the Police division. As of February 29, 2017, the actuarial value of assets exceeded the accrued liabilities of the plan by $472,287 for the General division and $217,675 for the Police division. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan

covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2018 and 2017, the County collected and remitted to CERF employee withholdings and fees collected of $258,851 and $171,442, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $11,628 and $11,628, respectively, for the years ended December 31, 2018 and 2017.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides regular full-time employees with vacation time after they have completed a year of service. Vacation time accrues at the rate of one week per completed year of employment annually, for the first two years. After six years, vacation time will accrue at one additional day per completed year with a maximum of three weeks of vacation time after ten years of employment. Vacation time must be used in the calendar year earned and may not be accumulated. An employee terminating from County service shall be allowed any earned and unused vacation time, either in time off after notice of termination, or salary. Each full-time employee earns one day of sick leave per month, up to a maximum of 30 days. Employees are not compensated for unused sick leave at termination.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

A. On August 30, 2012, the County completed an advanced refunding of the Series 2004 Certificates of Participation delivered in the original principal amount of $9,260,000 for expanding, improving, furnishing and equipping the County's Justice Center. These Series 2012A Certificates are for $9,985,000 with an interest rate varying from 2.375% to 3.65% and a maturity date of December 1, 2030. Future payments on the Certificates are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 580,000	$ 245,899	$ 825,899
2020	595,000	232,124	827,124
2021	610,000	216,505	826,505
2022	630,000	198,205	828,205
2023	650,000	179,305	829,305
2024-2028	3,580,000	556,575	4,136,575
2029-2030	935,000	39,237	974,237
Totals	$ 7,580,000	$ 1,667,850	$ 9,247,850

B. On January 10, 2008, the County entered into a promissory note with the Missouri Department of Natural Resources for the replacement of windows. The original amount of the loan was $22,531, with an interest rate of 0% and principal payments due February 1 and August 1 over a period of 10 years. The final payment was made during 2018.

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Series 2012A COPS	$ 8,695,000	$ -	$ (550,000)	$ 8,145,000	$ 279,348
DNR Loan	3,451	-	2,120	1,331	-

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
Series 2012A COPS	$ 8,145,000	$ -	$ (565,000)	$ 7,580,000	$ 262,848
DNR Loan	1,331	-	1,331	-	-

8. CHANGE IN REPORTING ENTITY

As of January 1, 2017, the County has changed its definition of the reporting entity to exclude the Principal County Schools, Schools, Financial Institution Tax, and Surplus Certificate Bids Funds. The effect of this change was to decrease the January 1, 2017 cash and cash equivalents balance by $176,981.

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 15, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: 816-221-4559, F: 816-221-4563
E: admin@mcbridelock.com
McBRIDE, LOCK & ASSOCIATES, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Dunklin County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Dunklin County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Dunklin County, Missouri's basic financial statements and have issued our report thereon dated August 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dunklin County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dunklin County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Dunklin County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dunklin County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and recommendations as item 2018-001.

Dunklin County, Missouri's Response to Finding

Dunklin County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. Dunklin County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 15, 2019

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2018-001: Absence of Investment Policy

Criteria: Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

Condition: The County has not adopted an investment policy as required by state statute.

Cause: The County was unaware of the requirement to adopt a written investment policy.

Effect: Adoption of a written investment policy commits a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually as required by state statute.

County's Response: The County adopted an investment policy on August 19, 2019.

Auditor's Response: The response is appropriate to correct the concern.

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2018, we considered Dunklin County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 15, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Bank Reconciliations

The bank reconciliation for the Prosecuting Attorney's account at December 31, 2017 and 2018 listed outstanding checks greater than 120 days old, including checks from as far back as 2003, totaling $38,642 and $41,372, respectively. Additionally, the December 31, 2017 bank reconciliation showed a negative book balance of $598. The bank reconciliations for March, April, July and November 2017 and May and July 2018 also had negative book balances.

We recommend that the Prosecuting Attorney implement procedures to ensure that stale outstanding checks are followed up in a timely manner and removed from the bank reconciliation when it becomes apparent that checks will not be cashed. Checks that have remained unclaimed for more than three years are deemed abandoned and are required to be turned over immediately to the State Treasurer pursuant to state statutes. We also recommend that the Prosecuting Attorney ensure that bank reconciliations are accurate and properly reconciled between book and bank balance and that any issues are addressed in a timely manner.

Senate Bill 40 Board Collateral

The Senate Bill 40 Board held deposits at Senath State Bank in excess of FDIC deposit insurance that were not adequately covered by pledged collateral at December 31, 2018 and 2017. At December 31, 2018, the bank balance of the deposits was held by the Board at Senath State Bank was $256,206, of which $250,000 was covered by FDIC insurance, leaving a balance of $6,206 of unsecured deposits. At December 31, 2017, the bank balance of the deposits held by the Board at Senath State Bank was $265,266, of which $250,000 was covered by FDIC insurance, leaving a balance of $15,266 of unsecured deposits. There was no additional pledged collateral on the unsecured deposits at December 31, 2018 and 2017.

We recommend that the Senate Bill 40 Board ensure that all deposits of public funds in excess of FDIC deposit insurance are properly secured in compliance with state statutes.

DUNKLIN COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Dunklin County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2016 and 2015.

2016-001: Documentation of the County's internal controls has not been prepared, by all offices.

Status: Resolved.

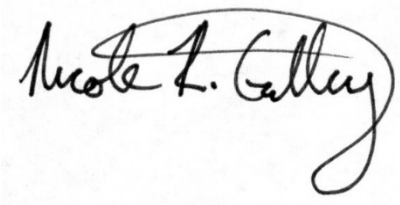
2016-002: There is no formal fraud risk assessment in place, for all offices.

Status: Resolved.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of DeKalb County, Missouri

The Office of the State Auditor contracted for an audit of DeKalb County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-090

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of DeKalb County

2018-001 Senior Services Board Controls	The Senior Services Board design, implement and maintain internal controls adequate to ensure the timely completion of bank reconciliations.
2018-002 Budgetary Compliance	The County ensure compliance with state statutes by refraining from approving expenditures in excess of budgeted amounts or available funds. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission. Also, the County should ensure that budgeted expenditures do not exceed the beginning balance plus anticipated revenues for any County fund.
2018-003 Investment Policy	The County adopt an investment policy that meets the requirements of state statutes and review compliance with this policy at least annually.
2018-004 Procurement Procedures	The County solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records. In cases in which state statutes would normally dictate that bidding is necessary but is not performed, this reasoning should be included in the Commission minutes or elsewhere.

ANNUAL FINANCIAL REPORT

DEKALB COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

DEKALB COUNTY, MISSOURI

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INTRODUCTORY SECTION

DEKALB COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Harold O. Allison

Eastern District Commissioner – Garry McFee

Western District Commissioner – Kyle White

Other Elected Officials

Assessor – Tanya Zimmerman

Circuit Clerk – Julie Whitsell

Collector/Treasurer – Jessica Lee

Coroner – Heath Turner

County Clerk – Melissa (Missy) Meek

Prosecuting Attorney – Erik C. Tate

Public Administrator – Connie Bray

Recorder – JoAnn Marshall

Sheriff – Andy Clark

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of DeKalb County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of DeKalb County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by DeKalb County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of DeKalb County, Missouri, as of December 31, 2017 and 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of DeKalb County, Missouri, as of December 31, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 9, 2019, on our consideration of DeKalb County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DeKalb County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2019

Exhibit A

DEKALB COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
General Revenue	$ 560,685	$ 1,840,885	$ 1,849,435	$ 552,135	$ 1,952,316	$ 1,768,596	$ 735,855
Special Road & Bridge	2,411,081	811,618	1,064,497	2,158,202	1,195,748	1,132,540	2,221,410
Assessment	153,011	202,112	183,584	171,539	245,337	219,658	197,218
Bond Forfeiture	1	100	101	-	-	-	-
Collector Maintenance	21,517	18,597	16,020	24,094	16,830	8,798	32,126
Election	18,123	16,270	30,308	4,085	63,208	67,256	37
Emergency Management	4,206	14,948	13,141	6,013	12,976	12,959	6,030
Capital Improvement	-	953,364	953,364	-	1,109,223	1,109,223	-
Law Enforcement Restitution	5,024	657	-	5,681	177	-	5,858
Local Use Tax	59,590	106,226	133,842	31,974	101,419	132,709	684
Nursing Home Sales Tax	45,155	138,839	-	183,994	86,473	-	270,467
Prosecuting Attorney Training	-	634	393	241	373	500	114
PA Collections Delinquent Tax	5,682	68	-	5,750	54	1,833	3,971
Prosecuting Attorney Bad Check	2,832	6,115	3,767	5,180	4,271	2,758	6,693
Recorder	4,009	3,200	3,566	3,643	3,166	4,316	2,493
Sheriff-CCW	1,113	1,969	1,845	1,237	5,169	1,167	5,239
Sheriff-Civil Fees	1,711	22,482	11,898	12,295	12,443	10,139	14,599
Sheriff-Law Enforcement Training	-	4,297	4,297	-	3,885	3,885	-
Technical Assistance	3,601	2,002	-	5,603	2,227	1,420	6,410
Cemeteries	62,978	721	4,855	58,844	612	4,045	55,411
Veterans Memorial	50	-	-	50	1	-	51
Victim Service Grant (VOCA)	-	41,225	41,225	-	44,298	43,058	1,240
Victims of Domestic Violence	-	472	472	-	520	520	-
Sheriff-IPDS	-	3,446	-	3,446	3,350	-	6,796
Senate Bill 40 Board	219,447	231,303	252,336	198,414	275,417	245,673	228,158
Senior Services Board	27,310	40,447	56,912	10,845	61,423	44,303	27,965
ACCD 911 Board	430,118	542,503	370,562	602,059	405,849	337,722	670,186
Law Library	3,273	5,183	3,023	5,433	5,779	3,700	7,512
Total	$ 4,040,517	$ 5,009,683	$ 4,999,443	$ 4,050,757	$ 5,612,544	$ 5,156,778	$ 4,506,523

The accompanying Notes to the Financial Statements are an integral part of this statement.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 509,300	$ 276,490	$ 275,725	$ 345,067
Sales taxes	700,000	727,490	715,000	715,863
Intergovernmental	148,550	156,092	145,808	151,904
Charges for services	628,760	596,436	587,680	642,920
Interest	1,600	5,939	6,000	9,563
Other	50,200	31,178	30,890	25,910
Transfers in	34,000	47,260	55,600	61,089
Total Receipts	$ 2,072,410	$ 1,840,885	$ 1,816,703	$ 1,952,316
DISBURSEMENTS				
County Commission	$ 93,029	$ 91,514	$ 94,549	$ 95,042
County Clerk	86,356	83,896	92,240	91,609
Elections	50,000	6,000	60,000	14,404
Buildings and grounds	106,750	146,779	141,609	70,163
Employee fringe benefits	236,034	215,060	234,625	223,844
Treasurer-Collector	103,636	105,602	111,243	100,549
Recorder of Deeds	83,067	78,781	93,349	93,157
Circuit Clerk	34,550	23,606	33,050	22,666
Public Administrator	22,660	23,215	23,600	22,291
Sheriff	721,337	649,510	714,404	598,136
Prosecuting Attorney	120,046	116,844	125,287	118,897
Juvenile Officer	32,069	31,353	32,126	33,167
Coroner	27,585	24,310	32,350	29,654
Other County government	237,019	162,050	177,797	187,043
Health and welfare	10,500	7,500	9,000	9,000
Transfers out	75,302	83,415	13,600	58,974
Emergency fund	413,000	-	54,486	-
Total Disbursements	$ 2,452,940	$ 1,849,435	$ 2,043,315	$ 1,768,596
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (380,531)	$ (8,550)	$ (226,612)	$ 183,720
CASH AND INVESTMENTS, JANUARY 1	560,685	560,685	552,135	552,135
CASH AND INVESTMENTS, DECEMBER 31	$ 180,154	$ 552,135	$ 325,523	$ 735,855

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	727,000	707,355	961,500	1,101,805	204,900	193,463	193,263	238,979
Charges for services	-	-	-	-	-	-	-	-
Interest	6,000	21,023	25,000	24,912	500	1,777	1,777	2,822
Other	45,200	83,240	151,150	69,031	13,400	6,872	6,872	3,536
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 778,200	$ 811,618	$ 1,137,650	$ 1,195,748	$ 218,800	$ 202,112	$ 201,912	$ 245,337
DISBURSEMENTS								
Salaries	$ 136,803	$ 115,641	$ 115,798	$ 114,846	$ 113,933	$ 103,158	$ 119,740	$ 113,325
Employee fringe benefits	56,775	38,631	42,100	37,153	44,800	38,921	46,639	34,445
Materials and supplies	328,700	183,087	480,250	203,068	15,725	15,218	25,000	21,906
Services and other	56,350	34,908	60,500	54,915	10,390	8,399	20,165	7,573
Capital outlay	225,000	118,672	430,000	107,315	11,700	17,888	43,120	42,409
Construction	50,000	308,584	27,000	168,524	-	-	-	-
Transfers out	146,943	264,974	40,000	446,719	-	-	-	-
Total Disbursements	$ 1,000,571	$ 1,064,497	$ 1,195,648	$ 1,132,540	$ 196,548	$ 183,584	$ 254,664	$ 219,658
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (222,371)	$ (252,879)	$ (57,998)	$ 63,208	$ 22,252	$ 18,528	$ (52,752)	$ 25,679
CASH AND INVESTMENTS, JANUARY 1	2,411,081	2,411,081	2,158,202	2,158,202	153,011	153,011	171,539	171,539
CASH AND INVESTMENTS, DECEMBER 31	$ 2,188,710	$ 2,158,202	$ 2,100,204	$ 2,221,410	$ 175,263	$ 171,539	$ 118,787	$ 197,218

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BOND FORFEITURE FUND				COLLECTOR MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	16,000	18,317	18,000	16,460
Interest	3	-	3	-	50	221	300	332
Other	1,600	100	500	-	-	59	-	38
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 1,603	$ 100	$ 503	$ -	$ 16,050	$ 18,597	$ 18,300	$ 16,830
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 1,635	$ 674	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	3,000	2,748	3,000	3,371
Services and other	1,603	101	500	-	3,900	12,598	4,850	5,427
Capital outlay	-	-	-	-	1,000	-	1,500	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,603	$ 101	$ 500	$ -	$ 9,535	$ 16,020	$ 9,350	$ 8,798
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ (1)	$ 3	$ -	$ 6,515	$ 2,577	$ 8,950	$ 8,032
CASH AND INVESTMENTS, JANUARY 1	1	1	-	-	21,517	21,517	24,094	24,094
CASH AND INVESTMENTS, DECEMBER 31	$ 1	$ -	$ 3	$ -	$ 28,032	$ 24,094	$ 33,044	$ 32,126

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION FUND				EMERGENCY MANAGEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	37,000	15,000	17,000	17,000	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	14	95	100	69	6	48	45	76
Other	-	1,175	-	543	-	2,000	1,500	-
Transfers in	50,000	-	60,000	45,596	12,900	12,900	12,900	12,900
Total Receipts	$ 87,014	$ 16,270	$ 77,100	$ 63,208	$ 12,906	$ 14,948	$ 14,445	$ 12,976
DISBURSEMENTS								
Salaries	$ 3,000	$ 3,000	$ 8,516	$ 5,500	$ 4,000	$ 4,000	$ 4,000	$ 4,000
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	15,700	11,478	28,000	47,866	-	-	-	-
Services and other	1,600	15,830	3,250	13,890	8,900	9,141	9,200	8,959
Capital outlay	25,000	-	11,000	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	6,500	-	7,500	-	-	-	-	-
Total Disbursements	$ 51,800	$ 30,308	$ 58,266	$ 67,256	$ 12,900	$ 13,141	$ 13,200	$ 12,959
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 35,214	$ (14,038)	$ 18,834	$ (4,048)	$ 6	$ 1,807	$ 1,245	$ 17
CASH AND INVESTMENTS, JANUARY 1	18,123	18,123	4,085	4,085	4,206	4,206	6,013	6,013
CASH AND INVESTMENTS, DECEMBER 31	$ 53,337	$ 4,085	$ 22,919	$ 37	$ 4,212	$ 6,013	$ 7,258	$ 6,030

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	720,000	727,426	715,000	715,840	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,000	610	600	115
Interest	750	940	750	595	10	47	46	62
Other	90,000	-	-	-	-	-	-	-
Transfers in	125,000	224,998	273,550	392,788	-	-	-	-
Total Receipts	$ 935,750	$ 953,364	$ 989,300	$ 1,109,223	$ 1,010	$ 657	$ 646	$ 177
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	894,857	946,080	989,300	1,102,065	-	-	-	-
Transfers out	-	7,284	-	7,158	-	-	-	-
Total Disbursements	$ 894,857	$ 953,364	$ 989,300	$ 1,109,223	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 40,893	$ -	$ -	$ -	$ 1,010	$ 657	$ 646	$ 177
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	5,024	5,024	5,681	5,681
CASH AND INVESTMENTS, DECEMBER 31	$ 40,893	$ -	$ -	$ -	$ 6,034	$ 5,681	$ 6,327	$ 5,858

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

DEKALB COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL USE TAX FUND				NURSING HOME SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	100,000	106,055	100,000	101,385	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	30	171	150	34	115	1,004	750	2,403
Other	-	-	-	-	84,070	82,070	80,065	84,070
Transfers in	-	-	-	-	55,765	55,765	-	-
Total Receipts	$ 100,030	$ 106,226	$ 100,150	$ 101,419	$ 139,950	$ 138,839	$ 80,815	$ 86,473
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	10,000	-	10,000	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	127,644	133,842	133,000	132,709	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 127,644	$ 133,842	$ 133,000	$ 132,709	$ 10,000	$ -	$ 10,000	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (27,614)	$ (27,616)	$ (32,850)	$ (31,290)	$ 129,950	$ 138,839	$ 70,815	$ 86,473
CASH AND INVESTMENTS, JANUARY 1	59,590	59,590	31,974	31,974	45,155	45,155	183,994	183,994
CASH AND INVESTMENTS, DECEMBER 31	$ 31,976	$ 31,974	$ (876)	$ 684	$ 175,105	$ 183,994	$ 254,809	$ 270,467

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PA COLLECTIONS DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Sales taxes	-	-	-	-	-	-		-
Intergovernmental	-	-	-	-	-	-		-
Charges for services	373	633	350	371	100	20	100	-
Interest	-	1	-	2	15	48	50	54
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 373	$ 634	$ 350	$ 373	$ 115	$ 68	$ 150	$ 54
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,000	$ 1,833
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	173	393	350	500	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 173	$ 393	$ 350	$ 500	$ -	$ -	$ 2,000	$ 1,833
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 200	$ 241	$ -	$ (127)	$ 115	$ 68	$ (1,850)	$ (1,779)
CASH AND INVESTMENTS, JANUARY 1	-	-	241	241	5,682	5,682	5,750	5,750
CASH AND INVESTMENTS, DECEMBER 31	$ 200	$ 241	$ 241	$ 114	$ 5,797	$ 5,750	$ 3,900	$ 3,971

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				RECORDER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,000	6,077	6,000	4,210	3,150	3,172	3,190	3,142
Interest	8	38	15	61	10	28	25	24
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 6,008	$ 6,115	$ 6,015	$ 4,271	$ 3,160	$ 3,200	$ 3,215	$ 3,166
DISBURSEMENTS								
Salaries	$ 3,000	$ 3,000	$ 3,000	$ 1,891	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,000	767	3,000	867	7,169	3,566	4,533	2,521
Capital outlay	-	-	-	-	-	-	2,325	1,795
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,000	$ 3,767	$ 6,000	$ 2,758	$ 7,169	$ 3,566	$ 6,858	$ 4,316
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 8	$ 2,348	$ 15	$ 1,513	$ (4,009)	$ (366)	$ (3,643)	$ (1,150)
CASH AND INVESTMENTS, JANUARY 1	2,832	2,832	5,180	5,180	4,009	4,009	3,643	3,643
CASH AND INVESTMENTS, DECEMBER 31	$ 2,840	$ 5,180	$ 5,195	$ 6,693	$ -	$ 3,643	$ -	$ 2,493

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF-CCW FUND				SHERIFF-CIVIL FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	5,000	1,960	1,500	5,140	6,500	22,426	12,900	12,306
Interest	15	9	5	29	5	56	50	137
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 5,015	$ 1,969	$ 1,505	$ 5,169	$ 6,505	$ 22,482	$ 12,950	$ 12,443
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 1,500	$ 1,500	$ 7,000	$ 7,000
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	2,095	525	1,500	55
Services and other	5,000	1,845	1,800	1,167	1,000	5,707	-	2,595
Capital outlay	-	-	-	-	2,906	1,315	6,398	489
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	2,851	-	-
Total Disbursements	$ 5,000	$ 1,845	$ 1,800	$ 1,167	$ 7,501	$ 11,898	$ 14,898	$ 10,139
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 15	$ 124	$ (295)	$ 4,002	$ (996)	$ 10,584	$ (1,948)	$ 2,304
CASH AND INVESTMENTS, JANUARY 1	1,113	1,113	1,237	1,237	1,711	1,711	12,295	12,295
CASH AND INVESTMENTS, DECEMBER 31	$ 1,128	$ 1,237	$ 942	$ 5,239	$ 715	$ 12,295	$ 10,347	$ 14,599

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

DEKALB COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF-LAW ENFORCEMENT TRAINING FUND				TECHNICAL ASSISTANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,900	1,446	1,400	3,406	2,030	1,964	2,000	2,166
Interest	-	-	-	1	5	38	30	61
Other	-	-	-	-	-	-	-	-
Transfers in	-	2,851	-	478	-	-	-	-
Total Receipts	$ 1,900	$ 4,297	$ 1,400	$ 3,885	$ 2,035	$ 2,002	$ 2,030	$ 2,227
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,900	4,297	1,400	3,885	-	-	-	-
Capital outlay	-	-	-	-	5,636	-	7,633	1,420
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,900	$ 4,297	$ 1,400	$ 3,885	$ 5,636	$ -	$ 7,633	$ 1,420
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (3,601)	$ 2,002	$ (5,603)	$ 807
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	3,601	3,601	5,603	5,603
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ 5,603	$ -	$ 6,410

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CEMETERIES FUND				VETERANS MEMORIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	50	-	-	-
Interest	160	521	723	612	-	-	-	1
Other	-	200	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 160	$ 721	$ 723	$ 612	$ 50	$ -	$ -	$ 1
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,250	4,855	5,000	4,045	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,250	$ 4,855	$ 5,000	$ 4,045	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,090)	$ (4,134)	$ (4,277)	$ (3,433)	$ 50	$ -	$ -	$ 1
CASH AND INVESTMENTS, JANUARY 1	62,978	62,978	58,844	58,844	50	50	50	50
CASH AND INVESTMENTS, DECEMBER 31	$ 59,888	$ 58,844	$ 54,567	$ 55,411	$ 100	$ 50	$ 50	$ 51

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTIM SERVICE GRANT (VOCA) FUND				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	32,240	26,475	59,068	44,298	-	-	-	-
Charges for services	-	-	-	-	514	471	425	518
Interest	-	-	-	-	1	1	1	2
Other	-	-	-	-	-	-	-	-
Transfers in	6,637	14,750	700	-	-	-	-	-
Total Receipts	$ 38,877	$ 41,225	$ 59,768	$ 44,298	$ 515	$ 472	$ 426	$ 520
DISBURSEMENTS								
Salaries	$ 25,599	$ 28,199	$ 36,000	$ 36,000	$ -	$ -	$ -	$ -
Employee fringe benefits	10,597	11,361	13,177	6,541	-	-	-	-
Materials and supplies	1,005	645	878	517	-	-	-	-
Services and other	1,675	957	900	-	515	472	400	520
Capital outlay	-	63	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	8,113	-	-	-	-	-
Total Disbursements	$ 38,876	$ 41,225	$ 59,068	$ 43,058	$ 515	$ 472	$ 400	$ 520
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1	$ -	$ 700	$ 1,240	$ -	$ -	$ 26	$ -
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	$ 1	$ -	$ 700	$ 1,240	$ -	$ -	$ 26	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF-IPDS FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 137,501	$ 138,097	$ 155,436	$ 168,448
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	90,000	93,009	80,000	106,644
Charges for services	3,210	3,430	3,320	3,295	-	-	-	-
Interest	2	16	15	55	100	152	120	259
Other	-	-	-	-	-	45	30	66
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,212	$ 3,446	$ 3,335	$ 3,350	$ 227,601	$ 231,303	$ 235,586	$ 275,417
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 93,855	$ 82,507	$ 88,860	$ 87,637
Employee fringe benefits	-	-	-	-	7,500	7,265	9,500	9,472
Materials and supplies	-	-	-	-	14,000	10,917	17,610	11,725
Services and other	3,212	-	-	-	176,200	151,647	198,800	136,839
Capital outlay	-	-	-	-	2,000	-	3,000	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,212	$ -	$ -	$ -	$ 293,555	$ 252,336	$ 317,770	$ 245,673
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 3,446	$ 3,335	$ 3,350	$ (65,954)	$ (21,033)	$ (82,184)	$ 29,744
CASH AND INVESTMENTS, JANUARY 1	-	-	3,446	3,446	219,447	219,447	198,414	198,414
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ 3,446	$ 6,781	$ 6,796	$ 153,493	$ 198,414	$ 116,230	$ 228,158

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR SERVICES BOARD FUND				ACCD 911 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 39,027	$ 40,444	$ 46,083	$ 61,270	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	499,500	538,503	539,500	398,537
Interest	25	3	-	153	1,000	3,996	4,100	7,312
Other	-	-	-	-	-	4	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 39,052	$ 40,447	$ 46,083	$ 61,423	$ 500,500	$ 542,503	$ 543,600	$ 405,849
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	450	1,200	493
Services and other	39,173	56,912	39,195	44,303	338,163	370,112	331,545	337,229
Capital outlay	-	-	-	-	69,600	-	475,500	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 39,173	$ 56,912	$ 39,195	$ 44,303	$ 407,763	$ 370,562	$ 808,245	$ 337,722
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (121)	$ (16,465)	$ 6,888	$ 17,120	$ 92,737	$ 171,941	$ (264,645)	$ 68,127
CASH AND INVESTMENTS, JANUARY 1	27,310	27,310	10,845	10,845	430,118	430,118	602,059	602,059
CASH AND INVESTMENTS, DECEMBER 31	$ 27,189	$ 10,845	$ 17,733	$ 27,965	$ 522,855	$ 602,059	$ 337,414	$ 670,186

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW LIBRARY FUND			
	Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	4,200	4,977	4,800	5,779
Interest	-	-	-	-
Other	-	206	-	-
Transfers in	-	-	-	-
Total Receipts	$ 4,200	$ 5,183	$ 4,800	$ 5,779
DISBURSEMENTS				
Salaries	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	3,900	3,023	3,500	3,700
Services and other	-	-	-	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	$ 3,900	$ 3,023	$ 3,500	$ 3,700
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 300	$ 2,160	$ 1,300	$ 2,079
CASH AND INVESTMENTS, JANUARY 1	3,273	3,273	5,433	5,433
CASH AND INVESTMENTS, DECEMBER 31	$ 3,573	$ 5,433	$ 6,733	$ 7,512

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

DEKALB COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Cash Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Cash Equivalents December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Cash Equivalents December 31, 2018
Treasurer Surplus Tax Sale	$ 8,773	$ 12,061	$ 3,650	$ 17,184	$ 2,417	$ -	$ 19,601
Treasurer Fines	-	97,990	97,990	-	103,758	103,713	45
Treasurer PA MOPS	500	680	1,180	-	695	695	-
Treasurer Retirement (CERF)	-	78,934	78,934	-	88,393	88,393	-
Treasurer Sheriff Deputy Salary	-	5,100	5,100	-	5,530	5,530	-
Treasurer Unclaimed Fees	-	388	388	-	-	-	-
Public Administrator	306,203	575,539	602,914	278,828	304,650	330,426	253,052
Recorder of Deeds	6,283	73,946	74,877	5,352	74,575	75,246	4,681
Collector	7,759,764	13,506,326	10,755,232	10,510,858	13,702,536	13,006,580	11,206,814
Sheriff	400	980,793	980,391	802	113,325	112,925	1,202
Prosecuting Attorney	-	50,494	50,494	-	23,250	21,138	2,112
Clerk Elections	1,737	29,481	30,268	950	40,096	40,821	225
Total	$ 8,083,660	$ 15,411,732	$ 12,681,418	$ 10,813,974	$ 14,459,225	$ 13,785,467	$ 11,487,732

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeKalb County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of DeKalb County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector/Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. However, the County budgeted a deficit ending fund balance for the Local Use Tax Fund in 2018.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2018	2017
Special Road & Bridge	N/A	✓
Collector Maintenance	N/A	✓
Election	✓	N/A
Emergency Management	N/A	✓
Capital Improvement	✓	✓
Local Use Tax	N/A	✓
Prosecuting Attorney Training	✓	✓
Sheriff-Civil Fees	N/A	✓
Sheriff-Law Enforcement Training	✓	✓
Cemeteries	N/A	✓
Victim Service Grant (VOCA)	N/A	✓
Victims of Domestic Violence	✓	N/A
Senior Services Board	✓	✓
Law Library	✓	N/A

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	2018	2017
Real Estate	$ 154,224,060	$ 153,784,620
Personal Property	36,457,141	34,733,867
Railroad and Utilities	14,601,214	14,302,364
Total	$ 205,282,415	$ 202,820,851

For calendar years 2018 and 2017, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018	2017
General Revenue	$ 0.1732	$ 0.1732
Senate Bill 40 Board	0.0875	0.0867
Senior Services Board	0.0292	0.0289

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County’s deposits were $4,506,523 and $4,050,757, respectively, and the bank balances were $4,731,236 and $4,330,539, respectively. Of the bank balances, $845,270 and $789,995 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the carrying amounts of the County’s custodial funds were $11,487,732 and $10,813,974, respectively, and the bank balances were $8,587,773 and $10,029,430, respectively. Of the bank balances, $440,774 and $468,547 were covered by federal depository insurance at December 31,

2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

DeKalb County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of DeKalb County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 5.9% and 7.0% (General), and 3.8% and 4.8% (Police) of annual covered payroll for 2018 and 2017 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2018 and 2017, the County contributed $55,725 and $61,158 to LAGERS.

4) Funding Status

As of February 28, 2018, the actuarial value of the assets of the plan exceeded the accrued liabilities by $110,428 and $94,190 for the General and Police divisions, respectively. As

of February 28, 2017, the actuarial value of assets of the plan exceeded the accrued liabilities by $166,295 and $100,224 for the General and Police divisions, respectively. These net pension liabilities are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation

to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2018 and 2017, the County collected and remitted to CERF employee withholdings and fees collected of $114,185 and $98,355, respectively, for the years then ended.

C. Defined Contribution and Deferred Contribution Plans

1) Plan Description

DeKalb County offers employees the opportunity to participate in the CERF defined contribution plan and Internal Revenue Code (IRC) Section 457 deferred compensation plan. The plan's provisions and contribution requirements were established by and may be amended only by the Missouri General Assembly. Pension plan members are eligible to participate.

2) Contributions

Employees elect a contribution level, subject to IRC limitations. The CERF Board of Directors may provide limited matching contributions, with pension plan trust funds, to the defined contribution plan accounts.

3) Administration

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian, respectively. The County sends members contributions directly to the third-party administrator. Members may select from several options for investing their contributions and their share of matching contributions. During 2018 and 2017, the County collected and remitted to the Section 457 Plan third-party administrator employee withholdings collected of $21,838 and $17,144, respectively, for the years then ended.

D. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $3,668 and $3,366, respectively, for the years ended December 31, 2018 and 2017.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 90 days of sick time – to accrue at one and one quarter days per complete calendar month of employment. Unused sick leave benefits will not be paid to employees upon termination of employment. Employees with one to nine year(s) of service accumulate annual leave at one and one quarter days per month, up to a maximum of 15 days. Employees with 10 to 14 years of service accumulate annual leave at one and one half days per month, up to a maximum of 20 days. Employees with 15 or more years of service accumulate annual leave at one and three quarters days per month, up to a maximum of 25 days. Annual leave may be carried forward from year to year up to the maximum amounts noted above. Upon termination of employment, employees will be paid for unused annual leave time that has been earned through the last day of work.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

On August 8, 2013, the County entered into an agreement with UMB Bank for Certificates of Participation to make improvements to the Courthouse in the amount of $1,355,000 to be paid in

full by March 1, 2028. There are four principal balances, $245,000; $265,000; $290,000, and $444,000, with interest rates of 2.25%; 2.75%; 3.25%, and 4.50%, respectively. Payments are due on March 1 and September 1 of each year.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	90,000	38,112	128,112
2020	90,000	35,637	125,637
2021	95,000	32,856	127,856
2022	95,000	29,769	124,769
2023	100,000	26,600	126,600
2024-2028	555,000	64,238	619,238
Totals	$ 1,025,000	$ 227,212	$ 1,252,212

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Courthouse Loan	$1,195,000	$ -	(85,000)	$1,110,000	$ 42,644

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
Courthouse Loan	$1,110,000	$ -	(85,000)	$1,025,000	$ 40,519

8. COOPERATIVE VENTURES

A. In October 1992, the Counties of Andrew, Clinton, Caldwell and DeKalb and the City of Cameron agree to establish a venture called ACCD 911, for the purpose of providing 911 emergency telephone services. Pursuant to Section 190.300, RSMo, the voters of the respective government entities involved approved a 15% Emergency Telephone System Tax on local telephone charges to fund the services. Pursuant to the agreement, the ACCD Regional Enhanced 911 System Board was created to be the governing body of the ACCD 911, authorized to enter into contracts, employ staff, hold/dispose of property, and incur debt, with only the ACCD 911 Venture being obligated for the debt incurred.

B. In May 2005, the County, in conjunction with Daviess County, created the Daviess-DeKalb Regional Jail District to house prisoners for the counties as well as other governments on contractual basis. A four-member commission which governs the District is comprised of the presiding commissioners and sheriffs from the two counties. In November 2005, the District voters approved a one-half cent sales tax to provide regional jail services and court facilities and equipment for the two counties. Also in November 2005, the District assumed operations at the jail facility. The counties will share equally in any net operating losses of the regional jail. Neither Daviess County nor DeKalb County is obligated for debt incurred by the District.

9. CHANGE IN BASIS OF ACCOUNTING

DeKalb County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 for 2013 and 2014 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law. The accounting change had no effect on the beginning cash balances of county funds.

10. RELATED PARTIES

The Public Administrator is the vice president/banking center manager at Bank Midwest's Cameron Branch, where a majority of ward bank accounts are held.

11. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 9, 2019, the date the financial statements were available to be issued.

The ACCD 911 Board, which oversees emergency dispatching in the four-county region encompassing Andrew, Caldwell, Clinton and DeKalb, awarded $513,753 to AVTEC in 2018 to upgrade equipment consoles. $392,523 was paid on April 12, 2019, and $108,396 has been invoiced but not paid due to dispute. Additionally, in April 2019, voters in all four counties approved a $1 fee to be charged to the provider of any device capable of contacting 911, and it is anticipated fees will be collected beginning in 2020. The charge was implemented to offset declining landline revenues.

The County budgeted $360,000 for courthouse upkeep and repairs in 2019 due to water damage from a leaking roof and foundation settlement. On March 28, 2019, the County Commission executed a $208,000 contract with Sommers Construction to replace the courthouse roof.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of DeKalb County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of DeKalb County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise DeKalb County, Missouri's basic financial statements and have issued our report thereon dated August 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DeKalb County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DeKalb County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of DeKalb County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and recommendations as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeKalb County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and recommendations as items 2018-002, 2018-003, and 2018-004.

DeKalb County, Missouri's Responses to Findings

DeKalb County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. DeKalb County, Missouri's responses was were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2019

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2018-001: Senior Services Board Controls

Criteria: A proper system of internal control requires timely completion of reconciliations between the accounting system and bank records.

Condition: No bank reconciliations were prepared by the Senior Services Board.

Cause: The Senior Services Board secretary assumed her duties in 2017 and said she was unaware bank reconciliations needed to be performed.

Effect: Without timely, accurate bank reconciliations, the risk of misstatement of the Senior Services Board's financial statements is heightened.

Recommendation: We recommend the Senior Services Board design, implement and maintain internal controls adequate to ensure the timely completion of bank reconciliations.

County Response: The Senior Services Board will comply with the recommendation of timely bank reconciliations.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2018-002: Budgetary Compliance

Criteria: County budget law in the state statutes states that County budgets should present a complete and accurate picture of the County's financial position. This requirement ensures expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting. The statutes also prohibit budgeting expenditures in excess of the beginning balance plus estimated revenues for any County fund.

Condition: Actual expenditures exceeded budgeted expenditures for seven funds in 2018 and 11 funds in 2017. Additionally, the County budgeted a negative ending balance for the Local Use Tax Fund in 2018.

Cause: The County did not amend budgets as prescribed by state statutes and budgeted for a deficit balance in one fund.

Effect: In order to ensure the integrity of the budgeting process, the budget documents must present a complete and accurate financial position for each County fund and the spending limits should be adhered to.

Recommendation: We recommend the County ensure compliance with state statutes by refraining from approving expenditures in excess of budgeted amounts or available funds. In the event that the originally adopted budget is inadequate to finance the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission. Also, the County should ensure that budgeted expenditures do not exceed the beginning balance plus anticipated revenues for any County fund.

County Response: The County will take the proper steps to be in compliance with our original budget. If unforeseen expenditures occur the budget will be amended with the proper proceedings to do so.

Auditor's Evaluation: The response is appropriate to correct the concern.

2018-003: Investment Policy

Criteria: Section 30.950, RSMo requires political subdivisions that manage public funds to adopt an investment policy that prioritizes safety, liquidity and yield; prohibits derivatives, leveraging, and speculation with public funds; and requires collateralization of deposits.

Condition: The County's investment policy states "All excess monies from the county will be invested in CD's."

Cause: The Commission adopted a policy that does not sufficiently addresses Section 30.950, RSMo.

Effect: The County investment policy does not ensure investment direction in accordance with state statute.

Recommendation: We recommend the County adopt an investment policy that meets the requirements of state statutes and review compliance with this policy at least annually.

County Response: The County will adopt an investment policy that meets the requirements of state statutes to replace the one that is currently being used.

Auditor's Evaluation: The response is appropriate to correct the concern.

2018-004: Procurement Procedures

Criteria: Section 50.660, RSMo states that, "All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition, including advertising the proposed letting in a newspaper in the county or township with a circulation of at least five hundred copies per issue, if there is one, except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days…." Section 50.783.1, RSMo states that, "The county commission

may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies."

Condition: Our audit noted several transactions for which bidding would be expected to have been performed but neither competitive bids nor sole source justification could be provided. Our audit noted five such transactions totaling $136,443.

Cause: The commission did not obtain competitive bids or provide sole source justification in the minutes.

Effect: Transactions were procured in violation of state law in a manner that does not promote maximum open market competition.

Recommendation: We recommend the County solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records. In cases in which state statutes would normally dictate that bidding is necessary but is not performed, this reasoning should be included in the Commission minutes or elsewhere.

County Response: The County will solicit bids or will provide proper documentation to justify sole source reasoning in the minutes. Any reasoning for not taking bids will be documented in the minutes.

Auditor's Evaluation: The response is appropriate to correct the concern.

DEKALB COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by DeKalb County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2014 and 2013.

1. During review of the Senior Services Board bank accounts and check register, which serves as the general ledger, it was noted that there were no formal bank reconciliations performed. Additionally, it was noted that there were deposits and interest that were not recorded in the check register. There was also a deposit recorded in check register that was not able to be traced to bank statements.

   Status: Partially resolved. See finding 2018-001.

2. The financial statements of the County as presented in the annual budget document present transfers between funds. The recorded transfers in did not equal the recorded transfers out in either 2014 or 2013.

   Status: Resolved.

3. The ACCD 911 Board did not report certificates of deposits in the budget or published financial statements.

   Status: Resolved.

4. The County did not maintain proper documentation of employee pay rates to support the amount paid to each employee. Additionally, timesheets were noted that did not have a supervisor signature.

   Status: Resolved.

5. Out of twenty five transactions tested for each year, eight voucher packets in 2013 and seven voucher packets in 2014 were not approved or initialed by the officeholder as required by the County's internal control procedures. Additionally, we noted one instance where the rate paid by the County for rock did not agree to the agreed upon rate per the contract with the vendor. We also noted that there was no invoice or other support for the purchase of equipment in the amount of $30,500 in the Special Road and Bridge fund during 2013.

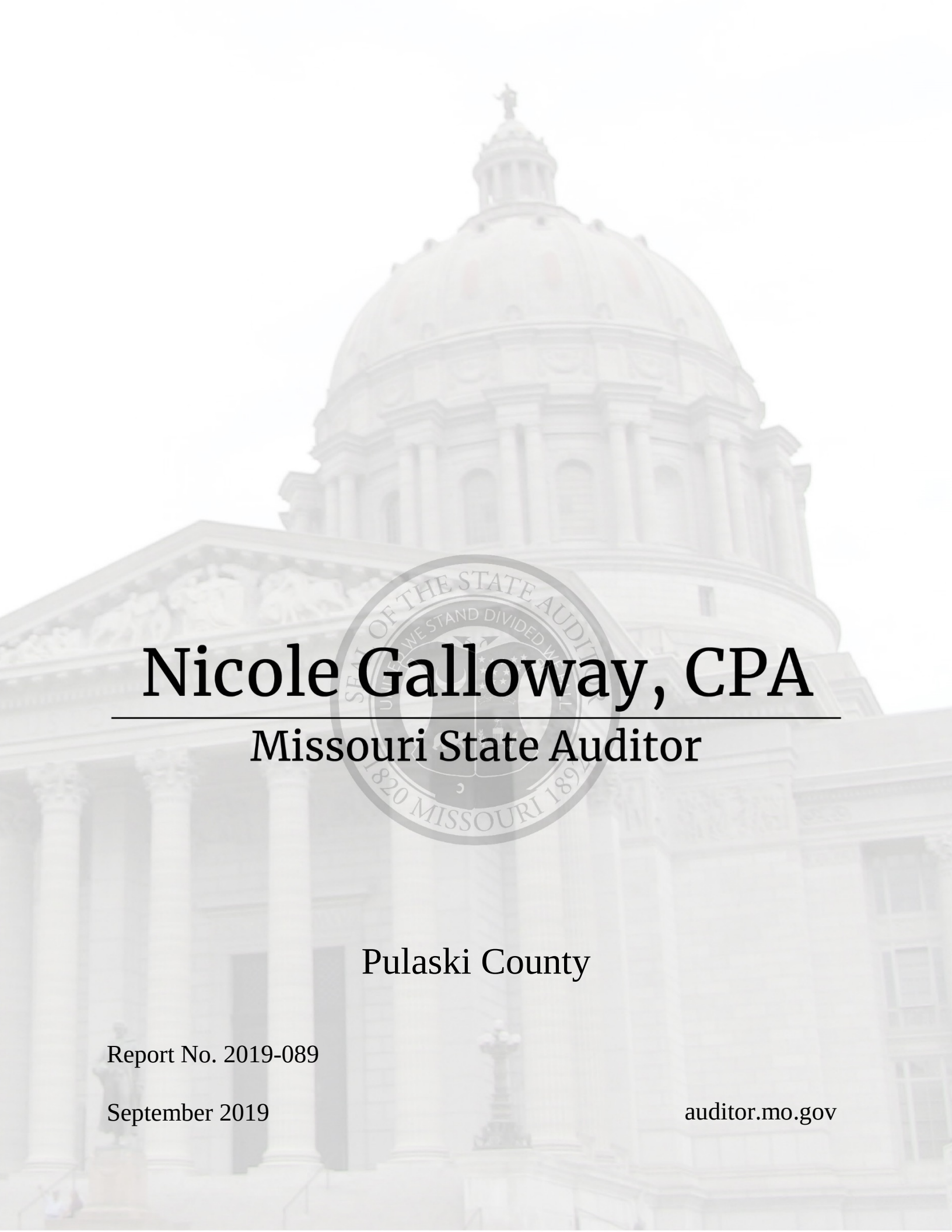
   Status: Resolved.

6. The County did not adopt a formal budget for the Sheriff-IPDS fund in 2014. Actual expenditures exceeded budgeted expenditures for nine funds in 2013 and 2014.

   Status: Repeated. See finding 2018-002.

7. The County did not consistently solicit bids and/or retain bid documentation for various purchases of goods and services.

   Status: Repeated. See finding 2018-004.



Nicole Galloway, CPA

Missouri State Auditor

Pulaski County

Report No. 2019-089

September 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pulaski County

County Controls and Procedures	The county lacks adequate controls and procedures to account for fuel used by the road and bridge department and County Assessor's office. Some budgets for county funds do not reasonably reflect the anticipated financial activity and cash balances, reducing the effectiveness of the budget as a tool for monitoring or controlling disbursements. For many county funds, including the General Revenue Fund and the Law Enforcement Sales Tax Fund, budgeted disbursements equal available resources, resulting in a projected ending cash balances of $0. Actual disbursements were significantly less than budgeted for the General Revenue Fund and Law Enforcement Sales Tax Fund in 2018.
Sheriff's Controls and Procedures	The bookkeeper does not deposit civil paper service fees until the papers are served, and procedures have not been established to routinely follow-up on outstanding checks.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's office does not deposit receipts timely, and procedures have not been established to routinely follow-up on outstanding checks.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Pulaski County
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Management Advisory Report - State Auditor's Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Pulaski County

We have audited certain operations of Pulaski County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Pulaski County for the year ended December 31, 2018. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

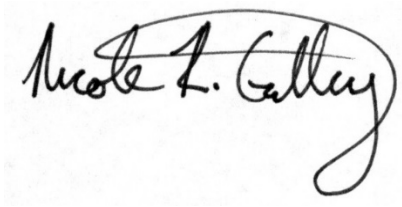
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Pulaski County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Shannon Spicer, MBA
Audit Staff:	Albert Borde-Koufie, MBA
	Troy Tallman, CFE
	Emmett Spradlin

1. County Controls and Procedures

Controls and procedures over fuel use need improvement. In addition, budgets need to reflect realistic disbursement estimates.

1.1 Fuel use

The county lacks adequate controls and procedures to account for fuel used by the road and bridge department and County Assessor's office.

The fuel purchased by the road and bridge department is stored in bulk fuel tanks at 4 road and bridge sheds. County Assessor's office personnel charge fuel to the county's account at a local convenience store. During the year ended December 31, 2018, fuel purchases totaled approximately $139,000 for the road and bridge department and $1,500 for the County Assessor's office.

A formal reconciliation of fuel use to fuel purchases for the bulk tanks is not prepared. Logs of fuel dispensed from bulk fuel tanks are maintained by road and bridge department personnel. County officials indicated fuel use is compared to fuel purchases; however, this review is not documented. In addition, mileage and usage logs are not maintained for the road and bridge department or the County Assessor's office vehicles and equipment.

Procedures for maintaining and reviewing mileage and fuel use logs and reconciling the information to fuel purchased are necessary to ensure vehicles and equipment are properly utilized; prevent paying vendors for improper amounts; and decrease the risk of loss, theft, or misuse of fuel occurring and going undetected. Mileage and usage logs are necessary to document the appropriate use of vehicles and equipment and to support fuel purchases.

A similar condition was noted in our prior audit report.

1.2 Budgets

Some budgets for county funds do not reasonably reflect the anticipated financial activity and cash balances, reducing the effectiveness of the budget as a tool for monitoring or controlling disbursements. For many county funds, including the General Revenue Fund and the Law Enforcement Sales Tax Fund, budgeted disbursements equal available resources, resulting in a projected ending cash balance of $0. Actual disbursements were significantly less than budgeted for the General Revenue Fund and the Law Enforcement Sales Tax Fund in 2018. This practice also impacts projected and actual cash balances of each fund budgeted in this way. We identified similar budget practices for 2016 and 2017.

As noted in the following table, the County Commission significantly overestimated disbursements for the General Revenue Fund and the Law Enforcement Sales Tax Fund for the 2018 budgets, and as a result the actual ending cash balances were significantly higher than the projected ending cash balances.

		Year Ended December 31, 2018	
		General Revenue	Law Enforcement Sales Tax
Budgeted disbursements	$	4,020,997	2,546,296
Actual disbursements		3,682,459	1,746,466
Budgeted over actual disbursements	$	338,538	799,830
Projected ending cash balance	$	0	0
Actual ending cash balance		539,543	921,600
Actual over projected ending cash balance	$	539,543	921,600

Realistic projections of the county's uses of funds are essential for the efficient management of finances and for communicating accurate financial data to county residents. Significantly overestimating anticipated disbursements is misleading to the public and prevents an accurate estimate of the county's financial condition.

Recommendations

The County Commission:

1.1 Document reconciliations of fuel logs to fuel purchases. Any significant discrepancies should be promptly investigated. In addition, the County Commission and County Assessor should require mileage and usage logs be maintained for all vehicles and equipment.

1.2 Ensure budgets provide reasonable estimates of anticipated disbursements and ending cash balances.

Auditee's Response

The County Commission provided the following responses:

1.1 We agree and will ensure a documented reconciliation of fuel logs and purchases is performed periodically, and any significant differences will be investigated. We will ensure mileage and usage logs are maintained in the future.

1.2 We agree and will make every effort to ensure budgeted expenditures and cash balances more closely reflect anticipated activity for each fund.

The County Assessor provided the following response:

1.1 I agree and will ensure mileage and usage logs are maintained in the future.

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office collected monies for civil paper service fees, concealed carry weapon permits, jail phone commissions, commissary profits, and other miscellaneous receipts totaling approximately $271,000 during the year ended December 31, 2018.

2.1 Depositing

The bookkeeper does not deposit civil paper service fees until the papers are served. The bookkeeper records the receipt of these monies on prenumbered invoices and a spreadsheet when received. During a cash count performed on February 26, 2019, we identified 23 checks, totaling $2,037, with dates ranging from June 1, 2018, to February 19, 2019, for service fees for civil papers not served. In the same cash count we identified $1,035, which included 13 other checks, totaling $1,015, with dates ranging from May 8, 2018, to February 21, 2019, for service fees for civil papers that had been served. This money should have been deposited based on office procedures.

Failure to implement adequate depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

2.2 Outstanding checks

The Sheriff has not established procedures to routinely follow-up on outstanding checks. As of December 31, 2018, 61 checks issued from the Sheriff's fee account totaling $3,317 had been outstanding for over one year. Twenty-seven of the checks were also identified as outstanding for over one year during our prior audit. In addition, as of December 31, 2018, 23 checks issued from the commissary account totaling $96 had been outstanding for over one year.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Similar conditions previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Sheriff:

2.1 Ensure monies received are deposited intact and timely.

2.2 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

Auditee's Response

2.1 I agree and have already taken steps to implement the recommendation.

2.2 I agree and will implement the recommendation.

3. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The Prosecuting Attorney's office collected approximately $175,000 in bad check and court-ordered restitution, delinquent taxes, and related fees during the year ended December 31, 2018.

3.1 Depositing

The Prosecuting Attorney's office does not deposit receipts timely. For example, $7,813 in restitution receipted from November 30, 2018, through December 13, 2018, was not deposited until December 14, 2018.

Failure to implement adequate depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

3.2 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow-up on outstanding checks. As of December 31, 2018, 97 checks issued from the restitution account totaling $8,855 had been outstanding for over one year, with 7 checks dating back to 2013. In addition, as of December 31, 2018, 22 checks issued from the 3 bad check accounts totaling $1,864 had been outstanding for over one year, with one check dating back to 2012.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Recommendations

The Prosecuting Attorney:

3.1 Ensure monies received are deposited timely.

3.2 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

Auditee's Response

3.1 My office generally deposits weekly. The period selected by the auditors for testing was during a transition period between clerks and when another clerk was on vacation, which contributed to the delay in depositing during that period.

3.2 I agree and have already implemented this recommendation and have adopted procedures to turn over unclaimed monies every six months.

Pulaski County
Organization and Statistical Information

Pulaski County is a county-organized, third-class county. The county seat is Waynesville.

Pulaski County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 92 full-time employees and 12 part-time employees on December 31, 2018.

In addition, county operations include the Senate Bill 40 Board, the Senior Citizens Service Board, and eight Neighborhood Improvement Districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2019	2018
Gene Newkirk, Presiding Commissioner	$	34,832
Lynn Sharp, Associate Commissioner		32,297
Rickey Zweerink, Associate Commissioner		33,575
Rachelle Beasley, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Brent Bassett, County Clerk		50,871
Kevin Hillman, Prosecuting Attorney		138,644
Jimmy Bench, Sheriff		57,703
Sue Rapone, County Treasurer		50,871
Nicholas Pappas, County Coroner		16,036
Loretta Rouse, Public Administrator		53,174
Terri Mitchell, County Collector (2), year ended February 28,	64,839	
Daniel Whittle, County Assessor, year ended August 31,		50,357
Don Mayhew, County Surveyor (3)		

(1) Compensation is paid by the state.
(2) Includes $13,099 of commissions earned for collecting city property taxes.
(3) Compensation on a fee basis.

NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in St. Louis County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audit reports of the fire protection districts in St. Louis County for audit periods ending December 31, 2018. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

There are 23 fire protection districts in St. Louis County. All districts with an audit period ending December 31, 2018, except Kinloch Fire Protection District, submitted audit reports. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. The Kinloch Fire Protection District did not timely obtain the required independent audit for the audit period ended December 31, 2018. However, in June 2019 the district engaged independent auditors to perform an audit for this time period. Upon completion of the audit, the district is expected to submit the report to the SAO.

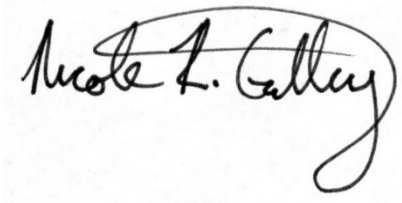
The SAO posts the individual audit reports to the office's website. A searchable link is available at https://auditor.mo.gov. A table summarizing our review of the St. Louis County fire protection districts' audit reports follows.

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

District	Audit Report Period	Report Complied with Section 321.690.3, RSMo	Findings in Independent Audit Report
Affton	1 Year Ended 12/31/2018	Yes	No
Black Jack	1 Year Ended 12/31/2018	Yes	No
Community	1 Year Ended 12/31/2018	Yes	No
Creve Coeur	1 Year Ended 12/31/2018	Yes	No
Eureka	1 Year Ended 12/31/2018	Yes	Yes
Fenton	1 Year Ended 12/31/2018	Yes	No
Florissant Valley	1 Year Ended 12/31/2018	Yes	Yes
Kinloch		No	Not applicable
Lemay	1 Year Ended 12/31/2018	Yes	No
Maryland Heights	1 Year Ended 12/31/2018	Yes	No
Mehlville	1 Year Ended 12/31/2018	Yes	No
Metro North	1 Year Ended 12/31/2018	Yes	Yes
Metro West	1 Year Ended 12/31/2018	Yes	No
Mid-County	1 Year Ended 12/31/2018	Yes	No
Monarch	1 Year Ended 12/31/2018	Yes	No
Northeast Ambulance[1]	1 Year Ended 12/31/2018	Yes[2]	Yes
Pattonville	1 Year Ended 12/31/2018	Yes	No
Riverview	1 Year Ended 12/31/2018	Yes	No
Robertson	1 Year Ended 12/31/2018	Yes	No
Spanish Lake	1 Year Ended 12/31/2018	Yes	No
Valley Park	1 Year Ended 12/31/2018	Yes	No
West County EMS	1 Year Ended 12/31/2018	Yes	No
West Overland EMS	1 Year Ended 12/31/2018	Yes	No

[1] The audit report filed did not include the views of responsible officials related to the audit findings, conclusions, and recommendations, as required for audits performed in accordance with *Government Auditing Standards*. A revised audit report was requested and obtained. We noted no concerns with the revised audit report.
[2] The audit report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

Except for the Kinloch Fire Protection District failing to obtain and submit an audit report, we identified no other concerns from our review of the audit reports submitted by the St. Louis County fire protection districts.



Nicole R. Galloway, CPA
State Auditor

NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in Greene County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audit reports of the fire protection districts in Greene County for audit periods ending December 31, 2018. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

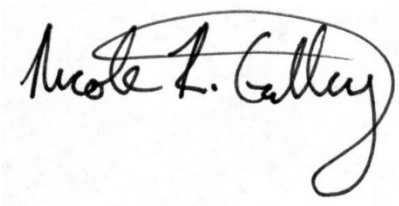
There are 11 fire protection districts in Greene County. All districts with an audit period ending December 31, 2018, submitted audit reports. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. Some of the districts were not required to submit a report in 2019, because they obtain biennial audits and the most recent audit report submitted was for the 2 years ended December 31, 2017. These districts are expected to submit a biennial audit report for the 2 years ended December 31, 2019.

The SAO posts the individual audit reports to its website. A searchable link is available at https://auditor.mo.gov. A table summarizing our review of the Greene County fire protection districts' audit reports follows.

District	Audit Report Period	Report Complied with Section 321.690.3, RSMo	Findings in Independent Audit Report
Ash Grove[1]			
Battlefield	1 Year Ended 12/31/18	Yes	No
Bois D'Arc[1]			
Brookline	2 Years Ended 12/31/18	Yes	No
Ebenezer[1]			
Fair Grove	2 Years Ended 12/31/18	Yes	No
Logan-Rogersville	2 Years Ended 12/31/18	Yes	No
Strafford Volunteer	2 Years Ended 12/31/18	Yes	No
Walnut Grove	1 Year Ended 12/31/18	Yes	Yes
West Republic	2 Years Ended 12/31/18	Yes[2]	No
Willard	1 Year Ended 12/31/18	Yes	No

[1] The fire protection district had an independent audit for the 2 years ended December 31, 2017. The district's next audit is expected to cover the 2 years ended December 31, 2019, and is required to be submitted to the SAO no later than June 30, 2020.
[2] The report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

We identified no concerns from our review of the audit reports submitted by the Greene County fire protection districts.



Nicole R. Galloway, CPA
State Auditor

Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Smithville Area Fire Protection District

Report No. 2019-086

September 2019

auditor.mo.gov

Smithville Area Fire Protection District
Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Board of Directors
Smithville Area Fire Protection District

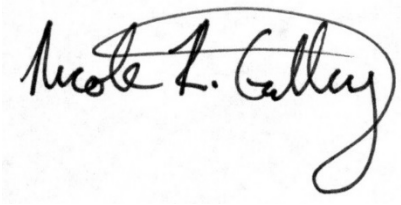
We have conducted follow-up work on certain audit report findings contained in Report No. 2018-099, *Smithville Area Fire Protection District* (rated as Poor), issued in September 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the district about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by district officials and held discussions with district officials to verify the status of implementation for the recommendations. Documentation provided by the district included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during June 2019.



Nicole R. Galloway, CPA
State Auditor

Smithville Area Fire Protection District
Follow-Up Report on Audit Findings
Status of Findings

1. Incentive Payments

The Smithville Area Fire Protection District paid $209,072 in year-end incentive payments (including fringe benefits), to all full-time employees (including the Fire Chief and Assistant Fire Chief) between December 2011 and December 2015.

While these payments were authorized by the Board of Directors, the actual payments exceeded initial estimates presented to the Board for approval by $32,500 (before taxes). The Board did not review and approve individual incentive payments and there was no documentation indicating the Board was informed the actual incentive payments significantly exceeded the initial estimates provided. In addition, we found the incentive payments made were based on inaccurate or unreasonable calculations, which inflated the total amount paid by $86,360.

These payments were likely bonuses and in violation of the Missouri Constitution, because they were not part of a formal pay plan and seemed to represent additional payments for services previously rendered because there was no documentation of additional hours worked by the employees to support the payments.

Recommendation

The Board of Directors should ensure all employee compensation is authorized by the Board, documented in a formal pay plan as appropriate, and in compliance with state law.

Status

Implemented

The district has not paid incentive payments to employees since December 2015 and has no plans to do so in the future.

2. Fire Station #3

The Board constructed Station #3 at a cost of approximately $1.8 million without ensuring the district had sufficient funding available to staff the station and cover ongoing and future operational and maintenance costs associated with it. Additionally, the district did not retain any documents related to preplanning and development of the station.

Station #3 was placed into operation in May 2017 with minimal equipment and no staff. All emergencies were responded to from Station #2. While district officials indicated they would not be able to staff Station #3 without a tax increase, they had not completed a cost analysis to support this statement.

Recommendation

The Board of Directors should determine additional funding necessary to pay for expenses associated with ongoing and future operations and maintenance costs, including staffing, for Station #3. In addition, the Board should evaluate options to fund these additional costs.

Status

Not Implemented

As of July 2019 Station #3 remains unstaffed, and all emergencies are still responded to from Station #2.

The Fire Chief provided a calculation estimating the total annual cost to fully staff and operate Station #3. The calculation indicates voters would need to approve a tax levy increase of .6002 (more than twice the current tax levy of .2906). The Fire Chief indicated the Board currently anticipates asking voters for an increase in the property tax levy of .3200 or .3500 in November 2020. The exact amount of the increase to be requested has not been determined and will depend on what increase the Board expects voters to approve. The Fire Chief indicated the district anticipates the remainder of the funding for Station #3 will be provided by increases in sales tax revenues and increases in property taxes as a result of economic growth in the Smithville area. The district has not, however, obtained a study to determine if economic growth in the area, along with a property tax levy increase, will be sufficient to provide the additional funding necessary to staff and operate station #3.

A review of open and closed board meeting minutes for the period October 23, 2018, through April 23, 2019, showed the Board briefly addressed the current status of Station #3 at the December 18, 2018, meeting. The minutes did not include documentation of discussions concerning future funding or staffing plans, or evidence the Board had addressed funding options and other considerations provided to us by the Fire Chief.

3. Firefighter Safety and Training

The district had not established adequate policies and procedures for firefighter safety and health, training, and respiratory protection.

3.1 Safety and training programs

The district had not established a written occupational safety and health program or a written training, education, and professional development program.

Recommendation

The Board of Directors seek assistance from available resources, including the state Fire Marshal's Office in the Missouri Division of Fire Safety and the University of Missouri Fire and Rescue Training Institute, and develop a written occupational safety and health program and a written training program for district firefighters.

Status

In Progress

The district obtained a draft policy manual through a vendor subscription service in November 2018. This vendor provides state-specific policies for public safety agencies. District personnel are currently customizing the various draft policies for district needs and plan to have many of the policies in the manual adopted by September 24, 2019, including the following policies on safety and training:

- The Personal Protective Equipment policy states the district will provide and maintain at no cost to the member, personal protective equipment (PPE) including head, face and eye, body, hand, and foot protection that meets the standards approved by the National Fire Protection Association. The district's members are expected to wear the PPE any time there is a risk of exposure to a hazard.

- The Vehicle Seat Belts policy requires all members wear seat belts while operating or riding in district vehicles or privately owned vehicles while conducting district business.

- The High-Visibility Safety Vests policy requires members to wear class II high-visibility safety vests in addition to PPE whenever the emergency scene is located on or near a roadway.

- The Training Records policy includes a section on maintaining an annual master training calendar to document district-provided, regularly scheduled training.

- The Training policy provides for professional growth and continued development of district members. The policy requires the training officer to develop a training plan to be updated annually based on an annual assessment of training needed by district members.

3.2 Respiratory protection

The district had not implemented a written respiratory protection program and had not performed testing on its respirators as recommended by the manufacturer.

Recommendation

The Board of Directors establish a written respiratory protection program and ensure self-contained breathing apparatuses are tested in accordance with the manufacturer's recommendations.

Status

In Progress

The district's draft policy manual includes a Respiratory Protection Program policy. This new policy describes the types of respirators and when each type should be used. The policy also contains procedures for performance and fit testing, and requires performance and fit testing to be performed annually. The district plans to finalize and adopt this policy by September 24, 2019.

District personnel had performance tests performed in April 2018 and fit tests performed in April 2018 and January 2019. Because new respirators were placed into service in March 2019, performance testing did not occur that year. Performance and fit testing on these respirators is not required until March 2020.

4. Procurement Procedures and Contracts

Controls and procedures over procurement and district contracts needed improvement.

4.1 Professional services and contracts

The district had not established policies and procedures for the selection of vendors providing professional services. In addition, the district did not solicit requests for proposals for various professional services, had not periodically conducted a competitive selection process for various professional services, and did not always enter into written contracts with the providers selected. Examples of significant professional services for which requests for proposals were not solicited included litigation services, information systems and information technology services, auditing services, and legal services.

Recommendation

The Board of Directors periodically solicit proposals for professional services and enter into written contracts for those services. In addition, the Board should establish a policy to address the selection of professional services.

Status

Implemented

The Board solicited proposals for legal services in October 2018 and solicited proposals for auditing services and a new information technology provider in January 2019. The Board entered into written contracts for these services. In addition, as part of the draft policy manual, the district customized and adopted a new policy, Purchasing/Credit Card Use, in January 2019. This policy requires requests for proposals for professional services be advertised at least every 3 years.

4.2 Bidding

The district did not have a formal bidding policy and bids were not solicited for some purchases made during the year ended December 31, 2016. In addition, district personnel could not provide any documentation showing the district published a notice for some bids, as required by state law.

Recommendation

The Board of Directors establish formal bidding policies and procedures, including documentation requirements related to bid specifications, the bids or quotes received, and justification for bids selected and maintain documentation of decisions made.

Status

Implemented

The district made a significant purchase of new respirators in October 2018 that required competitive bidding. We reviewed the bid documentation and noted the district published notice for bids and selected the lowest of the 2 bids received for $190,207. In addition, the district's Purchasing/Credit Card Use policy, adopted in January 2019, outlines bidding procedures and documentation requirements.

5. Accounting Controls and Procedures

Weaknesses existed with the district's accounting controls and procedures.

5.1 Segregation of duties and oversight

The Board had not established adequate segregation of duties and review processes over the various financial accounting functions performed by the Fire Chief and Administrative Assistant.

The Administrative Assistant was responsible for all accounting duties and the Fire Chief typically documented his review and approval of authorized disbursements, but did not perform a documented review of other accounting functions and records. A Board member signed all checks; however, a documented review and approval of individual invoices and other supporting documentation was not performed. In addition, the list of disbursements approved by the Board each month did not include payroll disbursements.

Recommendation

The Board of Directors segregate accounting duties to the extent possible and implement appropriate review and monitoring procedures. In addition, the Board should ensure complete lists of disbursements are prepared and compared to invoices and other supporting documentation.

Status

Partially Implemented

The Board has not further segregated accounting functions, but has implemented some additional oversight procedures. The Board President indicated a Board member reviews and documents approval of individual invoices prior to signing checks. We reviewed a travel expense voucher from August 2018 and credit card statements from September 2018 and March 2019 and noted a Board member signed the voucher and credit card statements to document approval. Board members do not ensure all receipts for credit card purchases are included with the credit card statements, and rely on the Administrative Assistant to perform a reconciliation of receipts to the credit card statement. However, as indicated in section 6.2, the March 2019 credit card statement had several missing receipts.

The Board also reviews a financial report each month that includes the bank statements and bank reconciliations and a list of disbursements. The Fire Chief indicated he also reviews the bank reconciliations, but we noted his review is not documented. We also noted the list of disbursements reviewed by the Board does not include payroll disbursements. The Board President indicated payroll is monitored by the Board's review of the budget to actual report each month.

5.2 Bank reconciliations

The district did not have procedures to follow up on and resolve differences between accounting records and bank reconciliations timely. In December 2015, the district received $3,204,132 in bond proceeds. The deposit was recorded in the accounting system twice in error. The error was not corrected until November 2017.

Recommendation

The Board of Directors ensure any differences between accounting records and reconciliations are investigated and resolved timely.

Status

Implemented

The Fire Chief indicated he and the Board review the bank reconciliations. However, the Fire Chief's review is not documented. The Fire Chief also indicated reviews performed identified no differences between the accounting records and reconciliations during 2019. We reviewed the April 2019 bank reconciliations for the district's bank accounts, and identified no unresolved differences between accounting records and the bank reconciliations.

5.3 Receipting and depositing

Significant weaknesses existed in the district's procedures for receipting monies and making deposits.

- Receipt slips were not issued for some monies received and the method of payment was not always recorded on receipt slips.
- Deposits were not made timely or intact, the numerical sequence of receipt slips was not accounted for, and receipts were not kept in a secure location until deposited.
- Checks and money orders received were not restrictively endorsed at the time of receipt and were only endorsed when deposits are prepared.

Recommendation

The Board of Directors ensure receipt slips are issued for all monies received with the method of payment indicated on the receipt slip, and the composition of deposits is reconciled to the composition recorded on receipt slips. The district should also ensure receipts are maintained in a secure location until deposited, checks and money orders are restrictively endorsed immediately upon receipt, and deposits are made timely and intact.

Status

Partially Implemented

The Fire Chief indicated the district no longer issues manual receipt slips or accepts cash payments. He indicated district personnel will issue receipt slips from the accounting system; however, these receipts will not be numbered because the accounting system does not have this capability. The district had no checks on hand during our review; however, the Fire Chief indicated checks are endorsed immediately upon receipt and kept in a locked room until deposited. There were no receipt slips or other documentation such as copies of the checks received to demonstrate that the composition of receipts agreed to the composition of deposits or that receipts were deposited timely and intact.

6. Disbursements

Controls and procedures over district travel and training expenditures, credit card purchases, and payment for local meals needed improvement.

6.1 Travel and training expenditures

The district incurred unnecessary travel and training costs due to the former Fire Chief traveling to the location of but not attending a conference. In addition, the district paid excessive travel advances for meals and incidental expenses to district employees.

The Fire Chief indicated the district prepaid for meals and incidental expenses at the federal Continental United States (CONUS) per diem rate when employees traveled. However, our review noted rates for the first and last day of travel were not reduced in accordance with the CONUS schedule, the daily amount advanced was more than CONUS rates authorized, and the number of days advanced appeared wasteful or unnecessary.

Recommendation

The Board of Directors reimburse documented travel expenses rather than providing travel advances, require employees to submit documentation of training attendance, and obtain reimbursement for all costs associated with the training not attended or completed.

Status

Partially Implemented

The district's draft policy manual does not include a travel policy. The Fire Chief indicated the district plans to develop a written travel policy by October 2019. In addition, the district now reimburses only documented travel expenses, no longer provides travel advances, and requires employees to submit documentation of training attendance. The Fire Chief indicated the district has not requested reimbursement for the costs associated with the training not attended. The Board President indicated the district has a new attorney and this matter will be discussed with him before making a final decision.

6.2 Credit cards

The district did not maintain adequate documentation to support some disbursements made using district credit cards and review procedures for credit card purchases needed improvement.

Our review identified transactions where adequate documentation was not retained. For these transactions, either the receipt slip retained was illegible, or information documenting how the purchase related to the operation of the district was not included. In addition, we noted transactions that did not have any receipt submitted to support the purchase.

Neither the Board nor someone independent of the disbursement process reviewed and documented approval of individual transactions charged to the district credit card or ensured supporting documentation for all credit card transactions was reconciled to the credit card statement.

Recommendation

The Board of Directors establish controls and procedures for the review and approval of all credit card purchases and ensure all purchases are supported by appropriate documentation and are reconciled to billing statements.

Status

Partially Implemented

The district's Purchasing/Credit Card Use policy, adopted in January 2019, provides guidelines for credit card purchases. It requires a receipt for all credit card purchases and states the receipts shall be presented to the Board member signing the district checks for review before the bill is paid. However, the Board President indicated Board members currently do not ensure all receipts for credit card purchases are present; rather they rely on the Administrative Assistant to perform a reconciliation of receipts to the credit card statement.

We reviewed the March 2019 credit card statement and supporting documentation and noted that it was initialed by a Board member to document his review and approval; however, receipts and other supporting documentation were not attached for 10 of 14 purchases. The Fire Chief located the missing documentation at our request.

6.3 Local meals

The Board had not established a policy for providing employee meals while not on travel status. Our review of all credit card transactions noted the former Fire Chief and the Deputy Fire Chief made numerous food and drink purchases at local restaurants, most of which were not supported by information demonstrating how the purchase related to the operation of the district or detailing the persons in attendance. It could not be determined why the purchases were necessary.

Recommendation

The Board of Directors develop a comprehensive policy regarding food purchases and ensure purchases made with district credit cards are reasonable and prudent uses of public funds.

Status

Partially Implemented

The district's Purchasing/Credit Card Use policy, adopted in January 2019, provides guidelines for food purchases made with credit cards. The new policy requires a memo to accompany food receipts describing the nature of the expense and who was present. The new policy addresses food purchases if made by credit card, but not other purchase methods.

We reviewed the March 2019 credit card statement and supporting documentation and noted food purchases at a local restaurant for $357. A memo describing the nature of the expense and who was present was not attached. The Fire Chief indicated the meal was for a local fire chiefs luncheon and the district was reimbursed for the expense.

7. Sunshine Law

The Board's procedures for complying with the Sunshine Law, maintaining minutes of meetings, and retaining copies of certain email messages needed improvement.

7.1 Closed meetings and minutes

The Board did not comply with state law regarding meeting minutes and closed sessions.

- The Board did not prepare meeting minutes for 20 of 35 closed sessions held. Minutes of closed sessions were generally only prepared and retained if the Board took a vote in the session.
- The Board did not document in open meeting minutes the specific reasons or section of law allowing the meetings to be closed for 15 of 35 closed sessions held.

Recommendation

The Board of Directors prepare minutes for all closed meetings and ensure the specific reasons for closing a meeting are documented in open meeting minutes.

Status

Implemented

We reviewed the Board's open and closed meeting minutes for the period October 2018 through April 2019. Minutes were only prepared for the October 2018 closed meeting although closed meetings were also held in November 2018, December 2018, and January 2019. However, the Board President indicated minutes for these closed sessions were not prepared by the district's contracted transcriber. When the Board became aware of the issue, the transcriber was informed that minutes should be prepared for closed sessions as well as open sessions. We noted closed minutes were prepared for the April 2019 closed session. The open meeting minutes cited the specific sections of law allowing the meetings to be closed.

7.2 Board decisions

The district did not retain adequate documentation to support certain Board decisions and meeting minutes do not typically include Board discussions held to support decisions made.

Recommendation

The Board of Directors ensure meeting minutes include sufficient information necessary to provide a complete and accurate record of significant matters discussed and actions taken.

Status

Implemented

We reviewed the Board's open meeting minutes for the period October 2018 through April 2019. The minutes for this period contained more detail than the minutes reviewed during the audit. For example, the December 2018 open meeting minutes document a discussion regarding new policies the board was

considering adopting, and the January 2019 open meeting minutes document the Board's approval of one of those policies, the Purchasing/Credit Card Use policy.

7.3 Public access policy and requests for records

The district has not adopted a written policy regarding public access to district records as required by state law. In addition, the district did not maintain a log or other record of public records requests to ensure all requests are handled in compliance with the Sunshine Law.

Recommendation

The Board of Directors develop written policies regarding procedures to obtain access to, or copies of, public records and establish a request log.

Status

Not Implemented

The district's draft policy manual does not include a public access to records policy. The Fire Chief indicated the district plans to develop its own written policy on public access to district records by October 2019. The Fire Chief also indicated the district has not received any Sunshine Law requests in the last several months, but plans to establish a request log.

7.4 Email

The district did not send the Fire Chief (the custodian of records) copies of email messages that are considered to be a public record under state law.

Recommendation

The Board of Directors ensure email messages sent between a majority of the Board's members are sent to the Fire Chief and made available for public inspection and copying in accordance with state law.

Status

Implemented

The Fire Chief indicated email messages are backed up on the district's server and only the information technology contractor has the ability to permanently delete the messages. Copies of email messages can be obtained from the contractor when requested.

8. District Policies and Procedures

District policies and procedures needed improvement.

8.1 Bylaws

The Board had not established written bylaws or other formal policies and procedures for the administration of the district. Instead, the Board President indicated the Board followed "Rules for Missouri Fire Protection Districts" provided by the University of Missouri Extension office.

Recommendation

The Board of Directors adopt written bylaws.

Status

Not Implemented

The Board has not adopted written bylaws. The Board President indicated fire districts in Missouri, that are members of the Missouri Association of Fire Protection Districts (MAFPD), follow the MAFPD's recommended guidelines and as a result, adopting their own written bylaws is not necessary.

8.2 Standard operating guidelines

The district's Standard Operating Guidelines (SOGs), which served as a guide for operations within the district and were designed to assist employees in performing their job duties, did not include guidelines to address certain important issues, including employee performance evaluations, travel, and use of internet and email or personal use of district provided electronic devices.

Recommendation

The Board of Directors maintain complete, comprehensive, and up-to-date SOGs to help employees carry out district operations.

Status

In Progress

The district's draft policy manual includes a Performance Evaluations policy and an Information Technology Use policy. The district plans to finalize and adopt these policies by September 24, 2019. The Performance Evaluations policy will require full-time permanent employees to be evaluated by a supervisor once each year. The district adopted a Purchasing/Credit Card Use policy in January 2019. In addition, the Fire Chief indicated the district plans to develop a written travel policy by October 2019.

8.3 Budgets

The Board did not prepare annual budgets for all district funds as required by state law. In addition, budget documents did not include all statutorily required information.

The district had not prepared budgets for the Capital Improvement or Debt Service Funds. In addition, the budgets prepared for the General Fund did not include a budget summary or debt service information, and only included a comparative statement of estimated receipts and disbursements for the prior year when state law requires a comparative statement of actual or estimated receipts and disbursements for the 2 preceding years.

Recommendation

The Board of Directors prepare annual budgets for all funds that include all information required by state law.

Status

Partially Implemented

We reviewed the 2019 budgets and noted a budget was prepared for all funds. However, the budgets did not include a budget summary, debt service information, or a comparative statement of actual or estimated receipts and disbursements for the 2 preceding years.

9. District Property and Vehicle Usage

Controls and procedures over district property and vehicle usage needed improvement.

9.1 Maintenance and repairs

District procedures for the maintenance and repair of vehicles and equipment were not adequate. An inspection of all district vehicles and equipment was performed on a daily basis and any maintenance and repair issues noted were documented on the Daily Truck Check Maintenance Appendix. Items were removed from the appendix when repaired or replaced. In addition, district personnel indicated items were also removed from the appendix at the request of the former Fire Chief if he determined the issue would not be repaired or replaced. However, the appendix did not document when and how identified issues were resolved.

Recommendation

The Board of Directors establish adequate procedures to ensure vehicles and equipment receive preventative maintenance and repairs timely. At a minimum, require maintenance logs be kept for each district vehicle and equipment and that these logs be reviewed periodically.

Status

Implemented

We observed that maintenance logs are now maintained for district vehicles and equipment, and daily inspection checklists are performed electronically using a software program purchased by the district in July 2018. District personnel use these records to record all repairs and maintenance performed and ensure repairs and maintenance are performed as needed.

9.2 Vehicle usage

The current and former Fire Chief were not required to maintain vehicle usage logs. The current and former Fire Chief were provided a district vehicle and personal use was allowed. The district did not report the value of the current and former Fire Chief's personal use of a district vehicle on W-2 forms as required by the Internal Revenue Service (IRS). Prior to October 2016, these vehicles were not marked as public safety vehicles.

Recommendation

The Board of Directors refer to IRS guidelines regarding use of employer-provided vehicles and adopt appropriate policies and requirements. In addition, the Board should also ensure all compensation is properly reported on W-2 forms, and amend W-2 forms for unreported compensation, as appropriate.

Status

Partially Implemented

The district's draft policy manual includes a Use of District Vehicles policy. This policy prohibits personal use but does not meet all of the IRS requirements because it does not require the employee to always be on call or require the employee to use the vehicle for commuting. The district plans to finalize and adopt this policy by September 24, 2019. The district did not report the value of the current and former Fire Chief's personal use of a district

vehicle on W-2 forms as required by the IRS and has not amended past W-2 forms for unreported compensation. The Board President indicated the district has a new attorney and the Board will discuss this matter with him before making a final decision.

9.3 Capital assets

The district had not developed procedures to identify capital asset purchases and dispositions throughout the year and records to account for district property were not adequate. Capital asset records lacked some necessary information such as purchase date, vendor, model or serial number, and disposition information such as the date and method of disposal. In addition, assets were not tagged or otherwise identified as district property and an annual physical inventory was not performed.

Recommendation

The Board of Directors ensure complete and detailed capital asset records are maintained on a perpetual basis, assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

Status

In Progress

District personnel created a capital asset record when they performed a physical inventory of capital assets costing $1,000 or more in March 2019. The record includes a description of the item, its location, and the inventory number. It does not include some necessary information such as purchase date, vendor, and model or serial number. We observed the district has affixed property tags with inventory numbers to the assets on the capital asset listing and generic unnumbered property tags to other district property not required to be on the listing. The Fire Chief indicated the capital asset record will be updated to include purchase date, vendor, and model or serial number as new assets are purchased and added to it.

10. Employment Contracts

The district entered into multi-year employment contracts without terms allowing the district to terminate the employee for reasons other than for cause.

The district entered into an employment contract with terms allowing the district to terminate the former Fire Chief for cause, but the contract did not address termination for other reasons. In addition, the contract automatically renewed each year so that following each extension, the agreement term remained 5 years. The current Fire Chief's contract also did not address termination without cause and renewed automatically each year so that following each extension, the agreement term remained 3 years.

Recommendation

The Board of Directors ensure employment contracts properly safeguard district interests.

Status

In Progress

No revisions have been made to the current Fire Chief's contract. As indicated in the audit finding, it does not address termination without cause and renews automatically each year so that following each extension, the agreement term remains 3 years. The Board President indicated the district's attorney is working on revisions to the contract and the Board has authorized the attorney to negotiate a new contract with the Fire Chief. The Board plans to review the amended contract at its September 24, 2019, meeting and approve the final contract in October 2019.

11. Electronic Data Security

The district did not have security controls in place to lock computers after a specified number of incorrect logon attempts. In addition, the district did not periodically test for recovery of data from backup files.

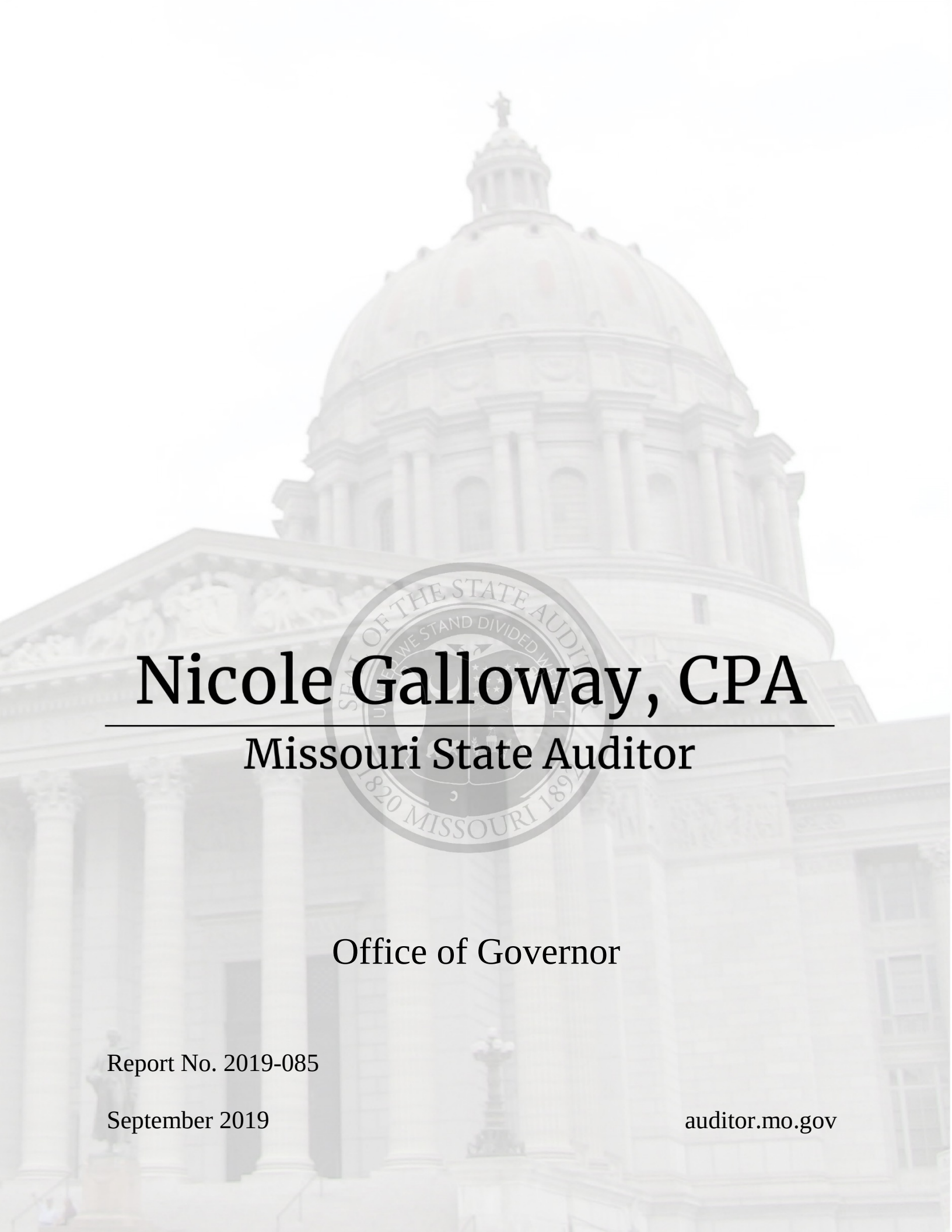
Recommendation

The Board of Directors require each computer to have security controls in place to lock it after a specified number of incorrect logon attempts. In addition, ensure recovery of data from backup files is tested on a regular basis.

Status

In Progress

The Fire Chief indicated new computers were purchased and installed in early 2019 and the new computers lock after a period of inactivity. In addition, we reviewed the district's current information systems and information technology (IT) services contract and it requires the contractor to perform data backups and develop and test a disaster recovery plan. However, the IT vendor has not tested the plan because the district's internet connection speed is not sufficient to perform the test. The Fire Chief indicated the district is currently working on upgrading its internet service so the plan can be tested.



Nicole Galloway, CPA

Missouri State Auditor

Office of Governor

Report No. 2019-085

September 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of the Governor

Payment of Operating Costs by Other State Agencies	As noted in our prior three audit reports, the Governor's office continued to supplement operations by using appropriations of other state agencies, and therefore circumvented the appropriation process established by the General Assembly. As a result, the Governor's office under reported the true costs of operating the office. During Governor Greitens' term, more than $1.5 million in personnel, Governor's Security Division, and other costs were shifted to other state agencies.
Boards and Commissions	As noted in our prior audit report, the Governor's office did not have adequate procedures to ensure vacancies and expired terms on boards, commissions, committees, councils, etc. (boards) were filled timely. In addition, the Governor's office did not address Task Force recommendations to eliminate and consolidate certain boards and board member positions and did not have adequate procedures to ensure board records were complete and accurate.
Mansion	As noted in our prior two audit reports, the Governor's office did not ensure the fees charged for mansion events sponsored by outside entities were sufficient to fully recover event costs.
Office Policies and Procedures	The Governor's official calendar was not always maintained in a detailed manner. In addition, the Governor's office did not establish a written employee manual or prepare written job descriptions for many positions.
Travel	As similarly noted in our prior three audit reports, the Governor's office did not take adequate measures to minimize travel costs or follow state travel policy. The Governor's office did not always procure commercial airfare in accordance with the state travel policy. The Governor's office often made lodging reservations without performing price comparisons or other procedures to ensure lodging costs were reasonable as required by state travel policy.
Use of State Resources for Political and Personal Purposes	State laws are ambiguous and contradictory regarding the use of state resources by the Governor's office for political and personal purposes. Similar to previous governors, the Governor used the security and transportation resources provided by the Missouri State Highway Patrol for all official, political, and personal activities. The state also paid the personal food costs for the Governor and his family. The Governor did not reimburse the state for any political or personal use of state resources.

Capital Assets

As similarly noted in our prior three audit reports, records and procedures to account for Governor's office and mansion property were not adequate. Office and mansion capital asset record discrepancies noted in prior audits were still not resolved; and as result, capital asset records were incomplete and inaccurate. In addition, annual physical inventories of office assets were not performed.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Honorable Eric R. Greitens
and
Honorable Michael L. Parson, Governor
Jefferson City, Missouri

We have audited certain operations of the Office of Governor, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period January 9, 2017, to June 1, 2018. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.

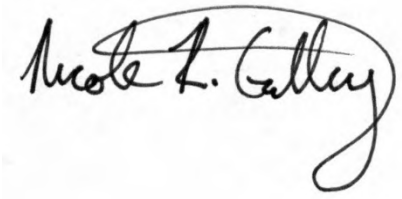
2. Evaluate the office's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Governor.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Tessa Rusatsi, CPA
Audit Staff:	Amanda G. Flanigan, MAcc
	John-Henry T. Jarwood, MBA, CFE

Office of Governor
Introduction

Background

The governor is required to be at least 30 years of age and must have been a citizen of the United States for at least 15 years and a resident of this state at least 10 years prior to election. The governor is elected at the presidential election for a 4-year term and is subject to re-election. No person may hold the office for more than 2 terms.

On January 9, 2017, Eric R. Greitens was inaugurated as the fifty-sixth governor. He served in this role until his resignation on June 1, 2018. Lieutenant Governor Michael L. Parson was inaugurated as the state's fifty-seventh governor to fill the remainder of the term, which expires in January 2021.

The Governor and his family resided in the Governor's mansion, located near the capitol. The mansion was first occupied in 1872 and was added to the National Register of Historic Places in 1969. The Governor and First Lady hosted public and private events at the mansion. Events were also hosted by other entities including the Friends of the Missouri Governor's Mansion, a statewide, nonpartisan, nonprofit organization dedicated to the mansion's restoration and educational programs.

The Governor's office is located in Jefferson City. There are regional offices in Kansas City and St. Louis.

Duties

The supreme executive power of the state is vested in the governor. Unless otherwise provided by law, the governor appoints all members of boards, commissions, and state government department heads as well as those of several other entities in the state and all vacancies in public offices. The governor commissions all officers of the state unless otherwise provided by law. Through the capacity as commander-in-chief of the militia, the governor is the conservator of peace throughout the state.

Providing the state's principal financial administration, the governor presents to the General Assembly a proposed budget for each appropriation period. All bills passed by both houses are presented to and considered by the governor where they are signed into law or disapproved and returned to the originating house.

In addition to the duties specifically assigned to the governor in the constitution, many other duties are assigned by statute and by custom. The governor is also a member of the Board of Public Buildings and the State Board of Fund Commissioners.

Employees and expenditures

Throughout Governor Greitens' term, the office had 23 to 29 full-time employees paid from Governor's office appropriations. In January 2017, by Executive Order 17-04, Governor Greitens created the position of chief operating officer. Other key positions included chief of staff, general counsel,

legislative director, and policy director. In addition, about 14 Governor's Security Division personnel of the Missouri State Highway Patrol (MSHP) were paid from appropriations of the Governor's office or the MSHP. Additional employees of the Governor's office were paid by other state agencies.

Governor Greitens' and office employees' travel expenses were paid from appropriations of the Governor's office and other sources. During Governor Greitens' term, travel expenditures paid from office appropriations totaled $130,500. In addition, according to 2018 and 2017 Personal Financial Disclosure Statements filed with the Missouri Ethics Commission, Governor Greitens received out-of-state lodging and travel benefits valued at about $227,000 for various meetings or political events and about $99,000 for international trade missions. The trade missions were funded by the Hawthorn Foundation[1] and the Republican Jewish Coalition. The statements also indicated Governor Greitens received gifts for in-state travel from 7 sources.[2]

The Governor's office incurred legal expenses related to two legal matters near the end of Governor Greitens' term. For one matter related to the office's use of a confidential digital messaging service,[3] legal costs through June 2018, totaling about $201,300, were paid by the Governor's office ($178,400)[4] and the State Legal Expense Fund administered by the Attorney General's office ($22,900). In June 2018, the Office of Administration (OA) declined to pay legal expenses of two outside law firms totaling about $153,000 related to the Missouri House of Representatives' investigation of Governor Greitens. The OA concluded these legal expenses were not within the purpose of the state appropriations as the services were primarily for the personal benefit of Governor Greitens and not the office.

Additional office expenditures were paid by other state agencies. When audit staff asked Governor's office officials if any office costs were paid from private sources, they indicated they were not aware of any such costs and any costs paid from private sources would have been for personal or political purposes.

[1] The Hawthorn Foundation also funded trade missions of previous governors.

[2] Personal Financial Disclosure Statements require disclosure of gifts exceeding $200 but do not require disclosure of gift amounts or purpose.

[3] *Sansone v. Greitens*, Cole County Circuit Court Case Number 17AC-CC00635.

[4] Legal expenses totaling about $26,700 were paid from fiscal year 2019 appropriations because the fiscal year 2018 appropriations had been fully spent.

Office of Governor
Management Advisory Report
State Auditor's Findings

1. Payment of Operating Costs by Other State Agencies

As noted in our prior three audit reports, the Governor's office continued to supplement operations by using appropriations of other state agencies, and therefore circumvented the appropriation process established by the General Assembly. As a result, the Governor's office under reported the true costs of operating the office.

Despite receiving increased appropriations in fiscal year 2018, which partially addressed concerns noted in prior audit reports, the Governor's office continued to pay expenses from appropriations of other state agencies. If the Governor's office had not allocated expenses to other state agencies, appropriation authority of the office and mansion would have been exceeded in fiscal years 2018 and 2017, and the Governor's Security Division (GSD) in fiscal year 2017. During Governor Greitens' 17-month term (January 9, 2017 to June 1, 2018), expenses totaling approximately $1,548,000 were shifted to other state agencies.

During fiscal years 2018 and 2017, the Governor's office received appropriations from the state General Revenue Fund (GRF) and various other funds for the operating costs of the office, mansion, and GSD. Office operating appropriations increased from a total of about $2.2 million in fiscal year 2017 to $2.6 million in fiscal year 2018. Prior to fiscal year 2018, all Governor's office operating appropriations were from the GRF. Beginning in fiscal year 2018, to address concerns identified in prior audit reports, the office received additional appropriations from the GRF and several other funds to pay the salaries of 6 additional full-time employee positions. In fiscal year 2019, office operating appropriations were further increased for an additional 5 full-time employees. The mansion appropriation totaled approximately $100,000 each fiscal year. Appropriations for the GSD operated by the Department of Public Safety (DPS) - Missouri State Highway Patrol (MSHP), were transferred from the MSHP to the Governor's office in fiscal years 2016 and 2017, then transferred back to the MSHP in fiscal year 2018. GSD appropriations totaled approximately $1.8 million for fiscal year 2017.

1.1 Staffing and GSD costs

State agencies paid personnel and GSD costs totaling at least $1,201,000 for employees of the Governor's office, mansion, and GSD during Governor Greitens' term. There were 29 employees paid by Governor's office and mansion appropriations as of June 1, 2018.

Governor's office and mansion personnel

The salaries of 16 Governor's office and mansion employees were paid from appropriations of 14 other state agencies during Governor Greitens' term. The Governor's office required the Department of Natural Resources (DNR) to fund the salaries of the Mansion Executive Director, Assistant Director, and Cook; and required the Department of Economic Development to fund the salary of the Director of the Kansas City regional office during Governor Greitens' entire term. In addition, the Governor's office required several state agencies to fund all or part of the salaries of the Chief Operating Officer, three

boards and commissions personnel, and three constituent services personnel during January to June 2017; and a special assistant, staff assistant, legislative and policy advisor, and two deputy counsel during July 2017 to June 2018. These positions were paid by other state agencies, although the employees in these positions performed duties for the Governor's office, were physically located in offices of the Governor or mansion, and were supervised by Governor's office personnel.

The salaries of the 16 positions paid by other state agencies during Governor Greitens' term are listed in the following table:

State Agency	Amount
Agriculture	$ 3,511
Corrections	19,793
Economic Development	26,437
Elementary and Secondary Education	10,478
Health and Senior Services	8,111
Higher Education	682
Insurance, Financial Institutions and Professional Registration	32,743
Labor and Industrial Relations	28,623
Mental Health	21,139
Natural Resources	167,767
Office of Administration	203,700
Public Safety	11,887
Revenue	20,974
Social Services	15,391
Total	$ 571,236

Beginning in fiscal year 2018, Governor's office appropriations increased about $419,000 for the salaries for the chief operating officer and the boards and commissions and constituent services positions. Beginning in fiscal year 2019, Governor's office appropriations increased about $292,000 for the salaries for the special assistant, staff assistant, legislative and policy advisor, and deputy counsel positions.

GSD personnel and expenses

Despite receiving appropriations for GSD costs, some personnel and other expenses of the GSD continued to be paid from MSHP appropriations. Personnel of the GSD within the MSHP provide security services for the Governor.

Prior to fiscal year 2016 and in fiscal year 2018, the costs of the GSD were paid entirely from appropriations of the MSHP, and averaged about $2 million annually.[5] For fiscal years 2016 and 2017, the Governor's office

[5] For fiscal years 2014 through 2015 and 2018 (excluding vehicle and fuel costs that continued to be paid from MSHP appropriations)

received annual appropriations of about $1.8 million for the GSD's expenses, and the corresponding appropriations of the MSHP were reduced. According to an MSHP official, the Governor's office GSD appropriations were intended for all costs of the GSD except for vehicles and fuel, which was paid from MSHP appropriations. However, the amount appropriated to the Governor's office was not sufficient to cover all GSD costs; and consequently, some costs continued to be paid from appropriations of the MSHP. For fiscal year 2017, GSD personnel, travel, fuel, and other costs totaling approximately $630,000 were charged to MSHP appropriations. A comparative statement of GSD expenditures from MSHP appropriations is included at Appendix E.

Other personnel

Costs associated with additional personnel that provided services to the Governor's office could not be identified because they did not separately account for and report their time spent on work performed for the Governor's office and/or the mansion. Office of Administration (OA) employees perform budget, purchasing/expenditure, payroll, and capital asset processing duties, and Department of Corrections (DOC) employees supervise inmates working at the mansion. These employees were paid from OA and DOC appropriations.

1.2 Other expenses

During Governor Greitens' term, state agencies paid association dues and other expenses, totaling approximately $347,000, of the Governor's office and mansion. The Governor's office required 3 agencies to pay the following operating expenses during Governor Greiten's term:

Operating Expenses		Amount
National Governors Association dues:		
Economic Development	$	15,330
Office of Administration		130,200
Mansion food and other expenses:		
Natural Resources[1]		155,826
Office of Administration[2]		45,959
Total	$	347,315

[1] Certain costs of mansion considered to be historical and/or cultural in nature were charged to Department of Natural Resources (DNR) appropriations.

[2] Wages paid for inmates who worked at the mansion.

Conclusions

The practice of paying Governor's office, mansion, and GSD personnel and expenses from the appropriations of other state agencies makes it difficult to establish accountability for the true and accurate costs of operating the Governor's office. This practice limits accountability and transparency over certain Governor's office expenditures and distorts the operating costs of both the Governor's office and the state agencies paying the Governor's expenses. The Governor's office needs to take measures to reduce office and mansion expenses to ensure expenditures are within the approved appropriation

authority. If the Governor's office receives future appropriations for the GSD, the office should ensure those appropriations are sufficient and work with the MSHP to ensure costs are within appropriation amounts.

Recommendation

The Office of Governor discontinue the practice of using other agency appropriations to pay the operating costs of the Governor's office. The Governor's office should request funding levels sufficient to pay all operating costs of the office and mansion from its own appropriations and ensure expenditures do not exceed office appropriation authority. If other agency personnel perform duties related to the operation of the Governor's office, their time should be recorded and paid from the Governor's office appropriations.

Auditee's Response

Former Governor Greitens' written response, provided by the Deputy Legislative Director to both former Governor Greitens and current Governor Parson, is included at Appendix A.

Current Governor Parson's written response, provided by the General Counsel, is included at Appendix B.

Auditor's Comment

Current Governor Parson's response states the Auditor recommends the Governor request greater appropriations at the expense of the taxpayers and agencies under his purview and the finding fails to account for the structure of the executive branch or acknowledge the fluid and flexible nature of the work many state employees perform. However, the impact of the audit recommendation is not increased costs, rather increased transparency and accountability over Governor's office and state agency costs, which is the intent of the state appropriation process. The Governor's office relationship to the other agencies under his purview does not eliminate this need for transparency or compliance with the appropriation process. Current Governor Parson's response also states the Auditor fails to acknowledge the association dues correlated to and were in support of the operations of the agencies that paid the dues; however, Governor's office personnel did not provide any documentation showing that the association supported these agencies. If such costs support other agencies, detailed documentation should be maintained.

2. Boards and Commissions

As noted in our prior audit report, the Governor's office did not have adequate procedures to ensure vacancies and expired terms on boards, commissions, committees, councils, etc. (boards) were filled timely. In addition, the Governor's office did not address Task Force recommendations to eliminate and consolidate certain boards and board member positions and did not have adequate procedures to ensure board records were complete and accurate.

Boards are created for various purposes by state statute or by a Governor's Executive Order. The governor is required to appoint the majority of the members of the boards, often with the approval of the Missouri Senate. The

authorizing statutes or executive orders specify member background requirements, the length of terms, and who appoints and approves the members. Members are often required to represent diverse interests and/or specific experiences such as political party affiliation, geographic residence, or profession. Terms are often 3, 4, or 6 years, and members are generally expected to serve until replaced, even after their term expires. Members generally serve without compensation.

Vacancies occur as terms expire and members resign from their positions. The Governor's office is generally made aware of vacancies by the applicable board or the resigning member. The Governor's office reviews each member application and performs background checks on applicants considered for appointment.

The Governor's office maintains records of each board including members' names, terms, and vacant positions; and publishes the information on the Governor's office website. Our review of these records as of October 2018 noted there were approximately 210 boards of which about 160 had vacant and/or expired governor-appointed positions. These boards had about 2,000 positions, of which about 1,500 were governor-appointed positions and about 900 (60 percent) of the positions were vacant or had expired terms.

Changes were made in recent years that eliminated 10 boards and 164 governor-appointed positions. In January 2017, Governor Nixon issued Executive Order 17-01 eliminating 2 boards with a total of 21 governor-appointed positions. In April 2017, Governor Greitens created the Boards and Commissions Task Force to evaluate the need for the existing boards and to make recommendations for improvement. To partially address Task Force recommendations to the General Assembly, Senate Bill 843, Second Regular Session, 99th General Assembly (2018), eliminated 7 boards and 136 governor-appointed positions. In addition, Senate Bill 975, Second Regular Session, 99th General Assembly (2018), eliminated another board with 7 governor-appointed positions. Governor Greitens signed these bills on June 1, 2018 and they became effective in August 2018.

In October 2017, the Task Force recommended the Governor re-evaluate the need for 3 boards and reduce the number of members on 3 boards. Similarly, the Task Force recommended the General Assembly eliminate, consolidate, or reduce the number of members on various boards. In total, the Task Force recommended eliminating about 44 boards and 450 governor-appointed positions. Most reductions recommended by the Task Force, other than the changes previously noted, had not been made as of October 2018.

2.1 Board vacancies and expired terms

The Governor's office did not have adequate procedures to ensure vacant positions and expired terms were filled timely. Our review of board vacancies

disclosed several boards with significant numbers of vacancies and expired terms.

We followed up on 21 boards reviewed during our prior audit with significant numbers of vacancies and expired terms as of May 2016. Executive Order 17-01 and Senate Bills 843 and 975 subsequently eliminated 7 of these boards with 67 governor-appointed positions. Also, the Governor's office made 11 appointments to these boards during Governor Greitens' term. However, as of October 2018, the Governor's office had not timely filled most vacancies and expired terms for the remaining 14 boards.[6] The 14 boards had 48 vacant governor-appointed positions and 27 governor-appointed positions with expired terms. Ten boards had 1 to 11 vacant governor-appointed positions, and 5 boards had 2 to 6 governor-appointed positions with expired terms since at least May 2016. In total, for the 14 boards, 75 of the 141 (53 percent) governor-appointed positions needed to be addressed. In addition, the Governor's office had not worked with the General Assembly to address the Task Force recommendations to eliminate or consolidate 3 of these boards[7] with 40 governor-appointed positions.

Procedures to fill board vacancies timely are necessary to ensure boards have sufficient members to function properly. Unfilled vacancies can make it more difficult or impossible for boards to establish a quorum to meet and conduct business. Also, unfilled vacancies may prevent balanced decision making on boards because the backgrounds and interests associated with the vacant positions would not be represented. Not timely replacing members with expired terms appears to violate the intent of statutory term length provisions. For any boards or commissions that are no longer needed, the Governor's office should rescind the related executive order or work with the General Assembly to repeal the related statutes.

2.2 Task Force recommendations

The Governor's office did not address Task Force recommendations.

The Task Force recommended the Governor's office consider reducing the number of members of the Governor's Council on Disability, consolidating the Hispanic Business, Trade, and Culture Commission with another board, and restructuring the Citizens Advisory Committee on Corrections. In

[6] Governor's Committee to End Homelessness, Missouri Brain Injury Advisory Council, Missouri Citizens' Commission on Compensation for Elected Officials, Missouri Electronic Prior Authorization Committee, Coordinating Board for Higher Education, Missouri Consolidated Health Care Plan Board of Trustees, Missouri Development Finance Board, Petroleum Storage Tank Insurance Fund Board of Trustees, Board of Therapeutic Message, State Highways and Transportation Commission, Missouri Technology Corporation, State Milk Board, State Lottery Commission, and Missouri Housing Development Commission.

[7] Missouri Brain Injury Advisory Council, Missouri Electronic Prior Authorization Committee, and State Milk Board.

addition, the Task Force recommended the Governor's office eliminate 24 governor-appointed positions for the Missouri Workforce Development Board, the Statewide Independent Living Council, and the State Interagency Coordinating Council. However, no changes to those boards occurred. As of October 2018, Governor's office records indicated these 6 boards had 101 governor-appointed positions with 90 vacancies or expired terms.

To enhance the efficiency and effectiveness of state boards, the Governor's office should document plans to address the recommendations of the Task Force and take appropriate action to rescind executive orders determined to be obsolete. Documentation should be maintained to support the decisions.

2.3 Incomplete and inaccurate records

The Governor's office did not have adequate procedures to ensure complete and accurate records of board members, vacancies, and expired terms. Formal procedures have not been established to periodically contact the boards for up-to-date board member information. In addition, board records did not indicate the date positions became vacant; and as a result, the Governor's office did not have information regarding the age of vacancies.

Complete, accurate, and up-to-date records regarding board members are necessary for the Governor's office to monitor board vacancies and expired terms, and appoint board members. Without such information, the Governor's office and the public are not aware of vacant positions and expired terms. To ensure records of boards and commissions are up-to-date, procedures should be established to periodically contact boards for current information regarding board members, vacancies, and expired terms and update board records for any new information received. In addition, maintaining records of position vacancy dates would allow the Governor's office to monitor the age of vacancies and prioritize appointment efforts.

Recommendations

The Office of Governor:

2.1 Work with the various boards to fill vacancies and expired terms timely. In addition, if boards are no longer needed for the purposes created, the Governor' office should rescind the related executive order or work with the General Assembly to repeal the related statutes.

2.2 Address the Boards and Commissions Task Force recommendations and take appropriate actions to reduce, consolidate, or restructure boards as necessary. Documentation should be maintained to support the decisions.

2.3 Establish procedures to ensure board and commission records are complete, accurate, and up to date.

Auditee's Response

Former Governor Greitens' written response, provided by the Deputy Legislative Director to both former Governor Greitens and current Governor Parson, is included at Appendix A.

Current Governor Parson's written response, provided by the General Counsel, is included at Appendix B.

Auditor's Comment

2.2. Former Governor Greitens' response states the hearings held and testimony received by the Task Force resulted in recommendations and legislation that was passed and signed into law. However, as noted in the finding, the Task Force's report also contained recommendations to the Governor's office that were not addressed.

2.3. Former Governor Greitens' response states the recommendation would unnecessarily increase government paperwork and delay future appointments, and current Governor Parson's response states the Governor's office maintains appropriate records. However, as described in the finding, the records were incomplete and inaccurate. Without complete, accurate, and up-to-date records, the Governor's office is unable to properly fulfill its responsibilities related to appointments to boards and commissions.

3. Mansion

As noted in our prior two audit reports, the Governor's office did not ensure the fees charged for mansion events sponsored by outside entities were sufficient to fully recover event costs.

During Governor Greitens' term (January 9, 2017 to June 1, 2018), the Governor's office paid costs of mansion operations and events from multiple funding sources including the mansion and office appropriations, the Mansion Donation Fund, and appropriations of other state agencies. In recent years, the Governor's office spent all or most of its annual mansion appropriation totaling approximately $100,000. The Mansion Donation Fund was established to accept donations and fees for payment of costs of mansion events and operation costs. In addition, as previously noted, the Governor's office paid some mansion costs from DNR and OA appropriations. During Governor Greiten's term, mansion costs to the state totaled about $442,000, of which about $361,000 (82 percent) was paid from appropriations of other state agencies.

Mansion operating costs include salaries, general upkeep of the mansion, food provided to the Governor and his family, and food and entertainment costs associated with various events held at the mansion. For events sponsored by outside entities, the Governor's office charged and deposited fees into the Mansion Donation Fund. During Governor Greitens' term, the mansion held 81 events with 55 hosted by the Governor and 26 sponsored by outside entities. The Governor-hosted events included 17 receptions, 13 dinners, 8

luncheons, 2 barbeques, 3 breakfasts, 7 meetings, and 5 other public events at the mansion. During this period, the Governor's office received fees totaling approximately $71,000 for outside events. Governor's office personnel plan, schedule, and manage mansion events. Also, as discussed later in the report, the Governor did not reimburse the state for costs related to the personal consumption of food.

Costs of the mansion paid by the Mansion Donation Fund, mansion appropriation, and other state agency appropriations during Governor Greitens' 17-month term (January 9, 2017 to June 1, 2018) are presented in the following table.

		Appropriations			
		Mansion Donation Fund[1]	Governor's Office and Mansion	Other Agencies[2]	Total
Expenses:					
Salaries	$	0	35,599	159,178	194,777
Food		9,558	74,417	55,771	139,746
Other[3]		12,593	19,803	146,014	178,410
Total	$	22,151	129,819	360,963	512,933
Less Receipts					(70,788)
Total State Costs	$				442,145

[1] A Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments for the Mansion Donation Fund for the 2 years ended June 30, 2018, is included at Appendix F.

[2] DNR and OA appropriations (see MAR finding number 1).

[3] Includes inmate wages.

Although recommended in the prior two audit reports, the Governor's office did not analyze the costs of outside entity-sponsored events or determine if the fees charged were sufficient to fully recover event costs. In 2017, mansion personnel revised the menu and menu prices. The Mansion Director indicated menu prices increased to reflect higher food costs; however, no documentation was prepared to support the basis for the prices. In addition, the fees for facility usage, labor, and other costs have not been reviewed and updated since 2010.

To ensure the costs of mansion events sponsored by outside entities are fully recovered, the Governor's office should analyze the costs associated with outside events and revise the fee schedule and menu prices as necessary. Such analysis and revisions should be periodically performed and documented.

Recommendation

The Office of Governor analyze the costs associated with outside events and revise the menu prices and fee schedule if necessary. Such analysis and revisions should be periodically performed and documented.

Auditee's Response

Former Governor Greitens' written response, provided by the Deputy Legislative Director to both former Governor Greitens and current Governor Parson, is included at Appendix A.

Current Governor Parson's written response, provided by the General Counsel, is included at Appendix B.

4. Office Policies and Procedures

The Governor's official calendar was not always maintained in a detailed manner. In addition, the Governor's office did not establish a written employee manual or prepare written job descriptions for many positions.

4.1 Governor's calendar

The Governor's calendar was not sufficiently detailed to disclose the business purpose of the official's various activities. The calendar generally noted the date, time, and location of scheduled events, and the person(s) with whom he met, but the business nature of the meeting or event was often not documented.

Good governance and the conduct of state business requires transparency, openness, and accountability. The Governor should maintain an official calendar that adequately details the nature and official duties of all travels and office functions.

4.2 Employee manual

As noted in our prior three audit reports, the Governor's office did not develop a comprehensive written employee manual to address issues such as working hours, performance appraisals, lines of authority, use of state resources, and other items of importance to employees.

A comprehensive employee manual that details policies and procedures can benefit both the office and employees by providing an understanding between management and employees regarding rights and responsibilities. An employee manual can also provide guidance and control for the effective and consistent management of the office, help avoid misunderstandings, and ensure management's policies are fairly and consistently applied to all employees.

4.3 Employee job descriptions

The Governor's office did not prepare written job descriptions for 12 positions, or approximately half of the positions paid from office and mansion appropriations.

Job descriptions are needed to clarify the duties, responsibilities, required qualifications, and reporting relationships of each position to help prevent

misunderstandings among employees and supervisors about performance expectations.

Recommendations

The Office of Governor:

4.1 Maintain an official calendar that details the official duties of the Governor's official activities.

4.2 Develop a comprehensive written employee manual.

4.3 Prepare job descriptions for all positions.

Auditee's Response

Former Governor Greitens' written response, provided by the Deputy Legislative Director to both former Governor Greitens and current Governor Parson, is included at Appendix A.

Current Governor Parson's written response, provided by the General Counsel, is included at Appendix B.

Auditor's Comment

Current Governor Parson's responses to finding numbers 4.2 and 4.3 state it would be impractical and inefficient to reduce the work of the Governor's office to a single employee manual and individual job descriptions. The responses further state the findings exceed the Auditor's mandate to conduct a post-audit and are attempts to manage an agency beyond the Auditor's control. As stated in the finding, these documents are necessary to properly communicate rights and responsibilities to employees and provide guidance and control for the effective and consistent management of the office. Office holders are responsible for ensuring decisions regarding employees are properly documented.

5. Travel

As similarly noted in our prior three audit reports, the Governor's office did not take adequate measures to minimize travel costs or follow state travel policy.

5.1 Airfare

The Governor's office did not always procure commercial airfare in accordance with the state travel policy. During Governor Greitens' term (January 9, 2017 to June 1, 2018), the Governor's office paid for flights on commercial airlines totaling about $9,500.

For 10 of 11 commercial flights reviewed totaling approximately $4,200, the Governor's office procured the flights 0 to 19 days prior to the date of the flight. State travel policy (SP-6) requires employees to exercise prudent care in arranging airfare to obtain the lowest feasible fare, and obtain the lowest reasonable, logical airfare at least 21 days in advance. When such advance purchase is not possible, the policy provides that the reason(s) be

documented. The Governor's office did not maintain documentation to justify the deviation from state policy.

5.2 Lodging

The Governor's office often made lodging reservations without performing price comparisons or other procedures to ensure lodging costs were reasonable as required by state travel policy. During Governor Greitens' term, the Governor's office paid approximately $12,000 in lodging costs from the Governor's office and mansion appropriations.

Most lodging expenses reviewed exceeded Continental United States (CONUS) lodging rates (federal employee per diem maximums, established by the U.S. General Services Administration). We reviewed 9 trips of the Governor and/or office employees for 1 or more nights, and noted lodging costs for 8 of the 9 trips exceeded CONUS rates. The Governor's office did not document price comparisons or other procedures performed, or why the higher lodging cost was necessary and reasonable for any of the 8 trips. In total, the Governor's office paid lodging costs in excess of CONUS rates by approximately $425 for the 8 trips, or an average of about $50 per night in excess of CONUS rates.

In cities where multiple hotels or motels are located, lodging can often be procured at rates less than CONUS rates. The state travel policy (SP-6) requires that "in areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher priced lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons and ensuring rates do not exceed CONUS rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses exceeding CONUS rates.

Recommendations

The Office of Governor:

5.1 Ensure airfare tickets are purchased at least 21 days in advance in accordance with state policy, and the reason(s) are documented if such advance purchase is not possible.

5.2 Require employees to perform price comparisons and ensure rates do not exceed CONUS rates when making lodging arrangements. If it is necessary to exceed CONUS rates, the Governor's office should ensure adequate documentation of the reason is prepared and retained.

Auditee's Response

Former Governor Greitens' written response, provided by the Deputy Legislative Director to both former Governor Greitens and current Governor Parson, is included at Appendix A.

Current Governor Parson's written response, provided by the General Counsel, is included at Appendix B.

6. Use of State Resources for Political and Personal Purposes

State laws are ambiguous and contradictory regarding the use of state resources by the Governor's office for political and personal purposes. Similar to previous governors, the Governor used the security and transportation resources provided by the MSHP for all official, political, and personal activities. The state also paid the personal food costs for the Governor and his family. The Governor did not reimburse the state for any political or personal use of state resources.

Section 43.330, RSMo, allows the governor's security division within the MSHP to ". . . provide transportation, security, and protection for the governor and the governor's immediate family." This section makes no distinction between official state business and events that are personal or political, and it is not clear whether the intent of this legislation was to allow the use of state resources for the Governor's political or personal activities. Article III, Sections 38(a) and 39, Missouri Constitution, prohibit the use of state resources for personal or private gain. In addition, there is no specific provision in state law allowing a state official to use any state resource for anything other than official use.[8]

As a general rule, state resources should be used for a public purpose, for the benefit of the general public, and not for political or personal gain. If the state intends to allow the governor to use state resources for anything other than official state purposes, legislation should be pursued to clearly allow this practice and other related conditions, such as reimbursement, of such use. At a minimum, until such provisions are established, with the possible exception of security, the use of any state resource by the governor for purposes other than official state business should be reimbursed or discontinued.

A similar condition was noted in prior audit reports.

Recommendation

The Office of Governor pursue legislation regarding its use of state resources, including those of the MSHP, for anything other than official use. With the

[8] Federal executives, such as the President, must abide by various federal rules, regulations, and ethics laws governing the use of federal resources for political use. For example, if a presidential trip includes multiple stops, some for political events and some for official purposes, travel costs are allocated between the campaign and the federal government. The President does not reimburse for any security costs, but he is required to pay for personal items such as food.

possible exception of security, until state law is clarified, the office should require the governor to reimburse the state for the use of state resources for purposes other than official state business (except for de minimis activities) or discontinue such use.

Auditee's Response

Former Governor Greitens' written response, provided by the Deputy Legislative Director to both former Governor Greitens and current Governor Parson, is included at Appendix A.

Current Governor Parson's written response, provided by the General Counsel, is included at Appendix B.

7. Capital Assets

As similarly noted in our prior three audit reports, records and procedures to account for Governor's office and mansion property were not adequate. Office and mansion capital asset record discrepancies noted in prior audits were still not resolved; and as result, capital asset records were incomplete and inaccurate. In addition, annual physical inventories of office assets were not performed.

Office

The Governor's office did not update capital asset records in the statewide accounting system (SAM II) for discrepancies noted in prior year annual physical inventories; and office capital asset records continued to be overstated as a result. As of June 1, 2018, SAM II capital asset records still included the 25 items totaling $61,000 that office personnel had identified in multiple annual inventories as missing or transferred to another agency, some identified as far back as 2009. In addition, the office did not perform physical inventories during Governor Greitens' term. Excluding the 25 missing and transferred items, office SAM II capital asset records included 14 items valued at approximately $92,400 as of June 1, 2018.

Mansion

The Governor's office did not update SAM II capital asset records for capital asset additions identified in previous years, and mansion capital asset records were understated as a result. Our three prior audits reported 29 additional items, valued at $1,000 or more, included on a listing of mansion assets prepared in January 2009, but not recorded in SAM II. As of June 1, 2018, the Governor's office still had not updated the SAM II capital asset records for these items. In addition, the physical inventory performed during June 2017 did not include these items. As of June 1, 2018, a SAM II report of mansion capital assets included 27 items totaling approximately $66,900.

Records and procedures

The Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items $1,000 or more, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of acquisition; estimated useful life at the date of acquisition; physical location in sufficient

detail to readily locate the item; and method and date of disposition. An annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory, and documentation should be maintained of the physical inventory including the date, personnel performing the procedure, assets verified, and any adjustments needed to the inventory records. In addition, departments are required to establish controls over sensitive items less than $1,000.

The failure to maintain a complete and accurate inventory listing reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. In addition, annual inventories are necessary to establish proper accountability over capital assets, and documentation of the physical inventory should be retained to show compliance with state regulations. Discrepancies noted during annual inventories should be promptly investigated and necessary adjustments made to the capital asset records.

Recommendation

The Office of Governor ensure (1) complete and accurate capital asset records are maintained for office and mansion assets, (2) annual physical inventories are conducted and documented for all property, (3) discrepancies noted in annual inventories are promptly investigated and capital assets records properly adjusted, and (4) capital asset records are reconciled to SAM II records.

Auditee's Response

Former Governor Greitens' written response, provided by the Deputy Legislative Director to both former Governor Greitens and current Governor Parson, is included at Appendix A.

Current Governor Parson's written response, provided by the General Counsel, is included at Appendix B.

Auditor's Comment

Former Governor Greitens' response states that office staff performed annual inventory checks. However, the Governor's office could not provide documentation of physical inventories performed during Governor Greitens' term.

August 22, 2019

Missouri State Auditor
John Lieser, Audit Manager
State Capitol, Rm 121
Jefferson City, MO 65101

Dear Mr. Lieser:

Please find the below responses to the close-out audit you conducted of Governor Eric Greitens. The numbered paragraphs correspond to the numbered findings contained in the draft report you provided.

1.1 Staffing and GSD costs:

The Governor's office accounted for its operational costs in a manner that properly reflected the nature of the work it performed. All agencies under the purview of the executive branch of the State of Missouri work with and for the Governor in the performance of his duties. Furthermore, as noted by the Auditor, the Governor's office transitioned six FTE in FY 18 and 5 FTE in FY 19 from various agencies into the Governor's Office. These changes were made in coordination with House Budget Chair and Senate Appropriations Chair as a good faith effort to more accurately reflect Governor's office staff.

1.2 Other expenses:

The association fees paid by the Governor correlate to and were in support of the operations of the agencies that expended the appropriations. As with the prior administration, the office accounted for its operational costs in a manner that properly reflected the nature of the work it performed.

2.1 Board vacancies and expired terms:

As the prior administration responded to a nearly identical finding, the Governor's Office worked to ensure that qualified Missourians willing to serve were appointed and nominated for service on various boards and commissions. After nomination, the Governor's Office submitted these individuals for confirmation by the Missouri Senate. It should also be noted that Missouri law allows an appointed individual serving in a term beyond the term's expiration date to retain the full authority to act as a member of the board or commission.

The Governor appointed hundreds of qualified nominees to numerous boards and commissions. The Governor's Task Force eliminated obsolete, duplicative, and unnecessary boards and commissions and brought forth legislation introduced in the Missouri General Assembly and signed by the Governor.

2.2 Task Force recommendations:

The Governor's Task Force was led by the Governor's Director of Boards and Commissions, Lt. Governor Parson, and legislative leaders. This task force held countless hearings and took testimony from nearly every board and commission in the state. All meetings were held in an open forum and the discussions therein resulted in the Task Force's recommendation and subsequent legislation that was passed and signed into law. This was outlined in the 27-page report submitted October 31, 2017 (https://ltgov.mo.gov/wp-content/uploads/2017/10/Boards-and-Commissions-Task-Force-Report-FINAL.pdf).

2.3 Incomplete and inaccurate records:

The Governor's office ensured that every individual appointed to a board or commission was properly vetted and qualified to serve. The auditor does not show that any appointee was improperly nominated or failed to meet the qualifications to serve. The recommendation put forward by the auditor would only increase unnecessary government paperwork and lead to the delay of future appointments.

3. Mansion:

The Governor's Mansion is a unique facility unlike any other in the State. The Governor's office coordinated with the necessary staff in order to ensure the Mansion operated in an efficient and cost-effective manner.

4.1 Governor's calendar:

The calendar of the Governor accurately accounted for all meetings, events, appearances, and official activities and was property archived with the Secretary of State per the records retention schedule.

4.2 Employee manual:

Members of the Governor's office were regularly informed of the policies and procedures applicable to their positions and the management of the office. Daily, weekly and monthly staff meetings were utilized to reinforce the policies and procedures, and to answer any questions.

4.3 Employee job descriptions:

Numerous written job descriptions were provided to the auditor. Additionally, all members of the Governor's office were fully informed of the duties and responsibilities of their positions, as well as performance expectations. Daily, weekly, and monthly staff meetings were utilized to address any issues.

5.1 Airfare:

The Governor's office followed state travel policy to every extent possible and made every effort to ensure the most cost-effective means when unplanned travel situations arose.

5.2 Lodging:

The Governor's office followed state travel policy and made every effort to ensure the most cost-effective means when unplanned travel situations arose.

6. Use of State Resources for Political and Personal Purposes:

The Governor's Office followed all state laws and regulations regarding the use and expenditure of state resources, consistent with previous governors. The Governor is on duty at all times.

7. Capitol Assets

Governor's Office staff and Mansion employees performed annual inventory checks.

Respectfully,

Jeff Earl
Deputy Legislative Director

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101

(573) 751-3222
WWW.GOVERNOR.MO.GOV

Michael L. Parson
GOVERNOR
STATE OF MISSOURI

August 23, 2019

Missouri State Auditor's Office
John Lieser, Audit Manager
State Capitol, Room 121
Jefferson City, MO 65101

Dear Sir:

Please accept these responses to the post-audit you conducted of the Governor's Office. The numbered paragraphs correspond to the numbered findings contained in the draft of the report you provided.

1.1 Staffing and GSD costs:

The Auditor recommends the Governor request greater appropriations at the expense of the taxpayers and the agencies under his purview. The Auditor posits a clear delineation is required to separate when agency employees are conducting their assigned work compared to when they are supplementing other operations. The Auditor's finding fails to acknowledge the fluid and flexible nature of the work many state employees perform in order to prevent inefficiencies or gaps in service to the State. The Governor's office accounted for its operational costs in a manner that properly reflected the nature of the work it performed. All agencies under the purview of the chief executive officer of the State of Missouri work with and for the Governor in the performance of his duties. Agencies request appropriations and the legislature approves appropriations in accordance with the budget process. To the extent the Auditor disagrees with the budgeting and appropriations process she is welcome to offer legislative proposals or provide constructive testimony during budget hearings.

1.2 Other expenses:

The Auditor posits the Governor used agency appropriations to pay for dues and association fees. The Auditor fails to acknowledge the dues and association fees correlated to and were in support of the operations of the agencies who expended the appropriations. The Governor directs and supervises all operations of executive agencies under his purview and this finding fails to account for the structure of the executive branch.

2.1 Board vacancies and expired terms:

The Governor works to ensure qualified individuals are nominated for service and the application, vetting, and confirmation process takes considerable time. The Auditor's recommendation offers no specifics as to how the process should be expedited. The Auditor posits there are Boards and Commissions that should be eliminated and she is encouraged to offer legislative proposals to accomplish this goal.

2.2 Task Force recommendations:

See comments in under 2.1.

2.3 Incomplete and inaccurate records:

The Governor's Office maintains appropriate records to track vacancies on Boards and Commissions. The information concerning all Boards and Commissions is available online for public access.

3. Mansion:

The Governor has implemented this recommendation upon taking office. The Governor's Mansion is facility unlike any other owned by the State. The Mansion serves multiple and various purposes. The Governor's Office coordinates with the relevant staff in order to ensure the Mansion is operated in an efficient and cost-effective manner.

4.1 Governor's calendar:

The Governor acknowledges this recommendation.

4.2 Employee manual:

The Auditor fails to cite to any authority mandating an employee manual. Such a task should fall under the purview and discretion of the office holder in order to allow employee job flexibility in acknowledgement of the myriad of tasks that each employee performs. It would be impractical and inefficient to reduce the work of the Governor's Office to a single comprehensive manual given fluid nature of the work. This finding exceeds the Auditor's mandate to conduct a post-audit and is an attempt to manage an agency beyond the Auditor's control.

4.3 Employee job descriptions:

The Auditor fails to cite to any authority mandating job descriptions. Such a task should fall under the purview and discretion of the office holder in order to allow employee job flexibility in acknowledgement of the myriad of tasks that each employee performs. It would be impractical and inefficient to reduce each job to a written description given fluid nature of the work. This finding exceeds the Auditor's mandate to conduct a post-audit and is an attempt to manage an agency beyond the Auditor's control.

5.1 Airfare:

The Governor and his staff follow state travel policy and work to ensure airfare is purchased in a timely cost effective manner.

5.2 Lodging:

The Governor and his staff follow state lodging policy and work to ensure lodging is purchased in a cost effective manner.

6. Use of State Resources for Political and Personal Purposes:

The Governor adheres to relevant state statutes concerning the use of state resources. To the extent the Auditor finds these statutes need to be amended she is welcome to offer legislative proposals to accomplish this goal.

7. Capitol Assets

The Governor's Office and Mansion staff will continue to perform annual inventory checks.

If I may be of any future assistance please feel free to contact me.

Respectfully,

Christopher K. Limbaugh
General Counsel
Office of the Governor, Michael L. Parson

Appendix C-1

Office of Governor
Statement of Appropriations and Expenditures
Period July 1, 2017 to June 1, 2018

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
GENERAL REVENUE FUND				
National Guard Emergency	$ 4,000,001	2,227,077	0	1,772,924
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	383,655	371,924	4,243	7,488
Special Audits	30,000	0	0	30,000
Constituent Services	79,454	57,285	2,578	19,591
Chief Operating Officer	113,987	104,512	4,701	4,774
Boards and Commissions	48,247	25,423	3,904	18,920
Mansion	99,199	80,975	1,167	17,057
Governor's Office[1]	2,126,258	1,722,680	167,646	235,932
Total General Revenue Fund	6,880,801	4,589,876	184,239	2,106,686
VOCATIONAL REHABILITATION FUND				
Boards and Commissions	1,592	1,592	0	0
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS ADMINISTRATION FUND				
Constituent Services	19,989	14,395	648	4,946
Chief Operating Officer	1,495	1,364	62	69
Boards and Commissions	5,153	5,153	0	0
Total Department of Labor and Industrial Relations Administration Fund	26,637	20,912	710	5,015
DEPARTMENT OF MENTAL HEALTH FEDERAL FUND				
Boards and Commissions	3,435	3,435	0	0

Appendix C-1

Office of Governor
Statement of Appropriations and Expenditures
Period July 1, 2017 to June 1, 2018

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
DIVISION OF JOB DEVELOPMENT AND TRAINING FUND				
Constituent Services	8,395	0	0	8,395
Boards and Commissions	4,964	0	0	4,964
Total Division of Job Development and Training Fund	13,359	0	0	13,359
ELEVATOR SAFETY FUND				
Boards and Commissions	978	978	0	0
GAMING COMMISSION FUND				
Boards and Commissions	6,475	6,475	0	0
VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST FUND				
Boards and Commissions	6,475	6,475	0	0
DEPARTMENT OF NATURAL RESOURCES COST ALLOCATION FUND				
Constituent Services	12,550	9,041	407	3,102
Chief Operating Officer	3,518	3,220	146	152
Boards and Commissions	14,600	14,600	0	0
Total Department of Natural Resources Cost Allocation Fund	30,668	26,861	553	3,254
STATE FACILITIES MAINTENANCE AND OPERATION FUND				
Chief Operating Officer	3,882	3,552	161	169
Boards and Commissions	4,579	4,579	0	0
Total State Facilities Maintenance and Operation Fund	8,461	8,131	161	169

Appendix C-1

Office of Governor
Statement of Appropriations and Expenditures
Period July 1, 2017 to June 1, 2018

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION ADMINISTRATIVE FUND				
Constituent Services	12,710	9,158	412	3,140
Chief Operating Officer	1,201	1,100	50	51
Total Department of Insurance, Financial Institutions, and Professional Registration Administrative Fund	13,911	10,258	462	3,191
DEPARTMENT OF ECONOMIC DEVELOPMENT ADMINISTRATION FUND				
Constituent Services	10,617	7,649	344	2,624
Boards and Commissions	6,279	6,279	0	0
Total Department of Economic Development Administration Fund	16,896	13,928	344	2,624
DIVISION OF CREDIT UNIONS FUND				
Boards and Commissions	859	859	0	0
DIVISION OF FINANCE FUND				
Boards and Commissions	1,718	1,718	0	0
DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND				
Boards and Commissions	859	859	0	0
INSURANCE DEDICATED FUND				
Boards and Commissions	1,718	1,718	0	0
CHEMICAL EMERGENCY PREPAREDNESS FUND				
Boards and Commissions	627	627	0	0
PROFESSIONAL REGISTRATION FEES FUND				
Boards and Commissions	29,200	29,200	0	0
BOILER AND PRESSURE VESSELS SAFETY FUND				
Boards and Commissions	627	627	0	0

Appendix C-1

Office of Governor
Statement of Appropriations and Expenditures
Period July 1, 2017 to June 1, 2018

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
MISSOURI EXPLOSIVES SAFETY ACT ADMINISTRATION FUND				
Boards and Commissions	277	277	0	0
GUARANTY AGENCY OPERATING FUND				
Constituent Services	1,147	818	37	292
Boards and Commissions	344	344	0	0
Total Guaranty Agency Operating Fund	1,491	1,162	37	292
AGRICULTURE PROTECTION FUND				
Constituent Services	2,569	1,849	83	637
Chief Operating Officer	917	837	38	42
Boards and Commissions	7,730	7,730	0	0
Total Agriculture Protection Fund	11,216	10,416	121	679
Total All Funds	$ 7,058,280	4,736,384	186,627	2,135,269

[1] Legal expenses totaling approximately $26,700 were paid from fiscal year 2019 appropriations because the fiscal year 2018 appropriations were fully spent.

Appendix C-2

Office of Governor
Statement of Appropriations and Expenditures
Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
National Guard Emergency	$ 3,999,513	845,093	3,154,420
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	62,941	62,335	606
Special Audits	30,000	0	30,000
Mansion	30,801	30,801	0
Governor's Office	1,013,281	1,013,281	0
Governor's Security Detail Personal Services	885,997	884,456	1,541
Governor's Security Detail Expense and Equipment	3	0	3
Total General Revenue Fund	6,022,536	2,835,966	3,186,570
DEPARTMENT OF ECONOMIC DEVELOPMENT - COMMUNITY DEVELOPMENT FUND			
Ferguson Commission[1]	275,000	0	275,000
DEPARTMENT OF SOCIAL SERVICES FEDERAL FUND			
Ferguson Commission[1]	500,000	0	500,000
Total All Funds	$ 6,797,536	2,835,966	3,961,570

[1] The costs of the Ferguson Commission were funded by Community Development Block Grant monies through the Department of Economic Development and the Department of Social Services, and from financial support from the Missouri Higher Education Loan Authority and various private donors. Consequently, no monies were expended from the Governor's office appropriations.

Appendix D

Office of Governor
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Governor's office:[1]					
Salaries and wages	$ 2,110,633	1,720,662	1,808,186	1,788,211	1,797,638
Travel, in-state[2]	16,272	269,888	130,349	191,420	165,659
Travel, out-of-state	11,843	8,648	51,247	64,480	68,411
Supplies	46,423	52,221	33,903	48,942	42,140
Professional development	832	2,008	11,932	5,955	7,983
Communication services and supplies	58,863	9,180	37	0	264
Services:					
Professional	203,221	42,170	5,598	6,212	11,006
Maintenance and repair	718	0	280	0	33
Equipment					
Office	2,023	1,563	429	2,156	1,635
Other	30,610	16,811	0	0	0
Equipment rental and leases	480	731	560	680	480
Agency provided food	4,792	27,376	1,671	2,298	1,517
Miscellaneous expenses	38	0	0	417	0
Refunds	1,120	0	0	0	0
Total office expenditures	2,487,868	2,151,258	2,044,192	2,110,771	2,096,766
Mansion:[1]					
Salaries and wages	28,575	28,533	27,600	24,070	23,689
Travel, in-state	0	24	0	136	0
Travel, out-of-state	0	0	1,146	0	0
Supplies	11,762	8,179	14,197	27,263	11,079
Services:					
Professional	2,474	14,167	8,658	8,494	4,454
Maintenance and repair	22	0	0	0	0
Equipment:					
Office	1,047	557	336	903	0
Other	2,976	0	2,721	3,344	0
Agency provided food	49,796	47,739	43,747	34,375	50,116
Total mansion expenditures	96,652	99,199	98,405	98,585	89,338
Governor's Security Division (GSD):[3]					
Salaries and fringe benefits	0	1,751,260	1,660,460	0	0
Travel, in-state	0	15,861	9,932	0	0
Travel, out-of-state	0	50,976	54,721	0	0
Supplies	0	1,000	3,101	0	0
Professional development	0	160	160	0	0
Total security expenditures	0	1,819,257	1,728,374	0	0
Other:					
National Guard emergency	2,226,199	845,581	1,074,384	3,482,826	65,210
Building lease payments	382,892	399,345	361,031	365,223	343,540
Special audits	0	0	22,838	27,078	0
Total Expenditures	$ 5,193,611	5,314,640	5,329,224	6,084,483	2,594,854

[1] Governor's office and Mansion expenditures do not include expenses paid by other state agencies and Mansion expenditures do not include expenses paid from the Mansion Donation Fund (see Appendix F).

[2] Includes costs paid in June 2017 totaling $97,863 for flights on state aircraft by former Governor Nixon during October 2016 to January 2017.

[3] In fiscal years 2017 and 2016, the Governor's office was appropriated about $1.8 million for Governor's Security Division (GSD) personnel and expenses; however, some costs continued to be paid from appropriations of the Department of Public Safety - Missouri State Highway Patrol (MSHP). For all other years presented, all costs of the GSD were paid from MSHP appropriations (see Appendix E).

Appendix E

Office of Governor
Department of Public Safety - Missouri State Highway Patrol
Governor's Security Division (GSD)
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,[1]				
	2018	2017	2016	2015	2014
Salaries and fringe benefits	$ 1,893,743	500,462	192,269	1,862,699	1,708,567
Travel, in-state	66,723	42,368	10,095	28,629	20,158
Travel, out-of-state	142,812	54,389	110,469	118,873	67,246
Fuel and utilities	37,495	32,827	22,522	33,194	41,208
Supplies	2,540	170	105	66	664
Professional development	640	0	1,600	2,400	550
Communication services and supplies	0	0	0	0	100
Equipment:					
Computer	0	44	0	0	30
Motorized	76,136	0	0	74,919	77,379
Other	4,204	165	0	0	0
Miscellaneous expenses	637	17	50	47	0
Total Expenditures	$ 2,224,930	630,442	337,110	2,120,827	1,915,902

[1] In fiscal years 2017 and 2016, the Governor's office was appropriated about $1.8 million for GSD personnel and expenses (see expenditures at Appendix D); however, some costs continued to be paid from appropriations of the Department of Public Safety - Missouri State Highway Patrol (MSHP). For all other years presented, all costs of the GSD were paid from MSHP appropriations.

Source: Missouri State Highway Patrol

Appendix F

Office of Governor
Mansion Donation Fund[1]
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

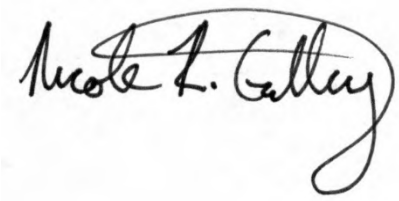
	Year Ended June 30,	
	2018	2017
Receipts	$ 47,142	23,646
Disbursements	15,119	9,280
Receipts Over (Under) Disbursements	32,023	14,366
Cash and Investments, July 1	32,002	17,636
Cash and Investments, June 30	$ 64,025	32,002

[1] The Mansion Donation Fund is a revolving fund established within the State Facility Maintenance and Operation Fund. The purpose of the fund is to accept donations and fees for payment of costs of mansion events and operating costs.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Phelps County, Missouri

The Office of the State Auditor contracted for an audit of Phelps County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-084

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

PHELPS COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

PHELPS COUNTY, MISSOURI

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INTRODUCTORY SECTION

PHELPS COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Randy Verkamp

District 1 Commissioner – Larry J. Stratman

District 2 Commissioner – Gary W. Hicks

Other Elected Officials

Assessor – Bill Stoltz

Circuit Clerk – Sue Brown

Collector – Davis R. Haas

County Clerk – Pamela K. Grow

Coroner – Andy Davis

Prosecuting Attorney – Brendon Fox

Public Administrator – Kathleen S. Oliver

Recorder – Robin Kordes

Sheriff – Richard Lisenbe

Surveyor – Terris L. Cates

Treasurer – Carol Green

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Phelps County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Phelps County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Phelps County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Phelps County, Missouri, as of December 31, 2017 and 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Phelps County, Missouri, as of December 31, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Phelps County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 8, 2019, on our consideration of Phelps County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Phelps County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 8, 2019

Exhibit A

PHELPS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
General Revenue	$ 1,340,360	$ 4,501,765	$ 4,138,923	$ 1,703,202	$ 4,500,724	$ 4,373,776	$ 1,830,150
Special Road and Bridge	1,049,826	3,919,791	4,216,886	752,731	3,446,432	3,273,824	925,339
Assessment	212,968	720,654	571,524	362,098	714,587	582,638	494,047
Road and Bridge Debt Service	274,085	581	144,000	130,666	412	-	131,078
Unemployment	171,430	-	19,639	151,791	-	17,994	133,797
Use Tax	302,485	925	937	302,473	970	925	302,518
Health Department	248,652	863,782	842,556	269,878	800,786	856,028	214,636
Special Election	1,403	42,370	43,773	-	46,008	45,010	998
Crisis Intervention	686	2,929	3,179	436	3,296	2,796	936
Election Services	16,805	6,826	12,655	10,976	2,496	3,585	9,887
Sheriff's Training	39,175	12,336	8,810	42,701	13,659	3,982	52,378
Sheriff's Drug Enforcement	2,921,046	1,136,688	756,898	3,300,836	485,587	2,255,951	1,530,472
Sheriff's Civil Fee	155,159	49,100	33,930	170,329	48,769	32,318	186,780
Sheriff's Revolving	139,352	7,767	34,718	112,401	10,957	36,103	87,255
Law Enforcement Sales Tax	3,696,344	5,824,324	4,521,036	4,999,632	7,872,714	7,148,903	5,723,443
Sheriff's Inmate Security	58,085	65,827	37,076	86,836	73,767	35,237	125,366
Law Enforcement Building Maintenance	248,636	26,100	-	274,736	26,769	-	301,505
Law Enforcement Restitution	29,294	73,191	90,000	12,485	87,971	85,000	15,456
Prosecuting Attorney Drug Enforcement	309,110	146,656	146,453	309,313	91,144	128,921	271,536
Prosecuting Attorney Training	11,941	2,041	-	13,982	2,466	-	16,448
Prosecuting Attorney Delinquent Tax	34,793	141	615	34,319	109	988	33,440
Administrative Handling	96,485	12,765	33,613	75,637	14,592	64,915	25,314
Shelter	3,930	12,730	13,570	3,090	13,777	13,480	3,387
Recorder User Fee	42,077	21,244	8,097	55,224	20,179	50,411	24,992
Collector's Tax Maintenance	63,771	45,350	65,474	43,647	69,507	40,633	72,521
Public Facilities Authority	830,614	3,984	172,647	661,951	6,380	3,984	664,347
Jay White Estate	214,228	1,175	1,138	214,265	2,387	1,175	215,477
Community Development Block Grant	-	324,856	324,856	-	5,000	5,000	-
Developmentally Disabled	423,819	429,016	310,291	542,544	476,668	435,347	583,865
Senior Companions	441	327,858	327,467	832	343,075	343,715	192
Senate Bill 40 Board	2,683,313	1,572,894	1,010,576	3,245,631	1,690,640	1,111,848	3,824,423
Total	$ 15,620,313	$ 20,155,666	$ 17,891,337	$ 17,884,642	$ 20,871,828	$ 20,954,487	$ 17,801,983

The accompanying Notes to the Financial Statements are an integral part of this statement.

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 884,809	$ 821,780	$ 800,000	$ 798,028
Sales taxes	1,843,525	1,875,487	1,875,487	1,864,803
Intergovernmental	754,796	910,243	849,958	912,625
Charges for services	710,603	750,179	769,200	793,477
Interest	15,000	8,358	15,000	10,240
Other	92,321	41,313	89,378	30,416
Transfers in	87,818	94,405	81,854	91,135
Total Receipts	$ 4,388,872	$ 4,501,765	$ 4,480,877	$ 4,500,724
DISBURSEMENTS				
County Commission	$ 171,288	$ 170,521	$ 176,625	$ 176,184
County Clerk	217,451	206,449	212,032	214,398
Elections	45,072	57,075	177,260	156,182
Buildings and grounds	484,816	485,294	485,259	463,896
Employee fringe benefits	566,919	572,557	610,308	624,175
Treasurer	67,622	67,635	72,647	72,343
Collector	184,418	159,562	183,732	160,774
Recorder of Deeds	133,589	130,890	133,557	129,843
Circuit Clerk	47,020	39,970	44,220	47,777
Court administration	32,900	20,197	32,900	32,380
Public Administrator	129,165	117,392	135,073	142,093
Prosecuting Attorney	648,485	605,570	707,001	654,753
Juvenile Officer	446,600	412,149	439,050	396,507
Coroner	43,508	47,241	53,218	46,370
Other County government	340,329	330,776	351,992	321,692
Transfers out	765,645	715,645	715,645	734,409
Emergency fund	131,666	-	232,473	-
Total Disbursements	$ 4,456,493	$ 4,138,923	$ 4,762,992	$ 4,373,776
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (67,621)	$ 362,842	$ (282,115)	$ 126,948
CASH AND INVESTMENTS, JANUARY 1	1,340,360	1,340,360	1,703,202	1,703,202
CASH AND CASH INVESTMENTS, DECEMBER 31	$ 1,272,739	$ 1,703,202	$ 1,421,087	$ 1,830,150

The accompanying Notes to the Financial Statements are an integral part of these statements.

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 565,000	$ 586,499	$ 650,000	$ 782,327	$ -	$ -	$ -	$ -
Sales taxes	980,000	1,001,910	985,000	996,202	-	-	-	-
Intergovernmental	1,822,516	1,813,061	1,546,755	1,570,369	477,336	499,810	488,789	551,869
Charges for services	-	-	-	72,835	144,130	143,594	95,880	86,347
Interest	2,000	4,436	3,000	3,853	600	1,014	1,100	1,371
Other	5,000	48,101	17,154	20,846	1,493	1,236	-	-
Transfers in	100,000	465,784	100,000	-	75,000	75,000	75,000	75,000
Total Receipts	$ 3,474,516	$ 3,919,791	$ 3,301,909	$ 3,446,432	$ 698,559	$ 720,654	$ 660,769	$ 714,587
DISBURSEMENTS								
Salaries	$ 692,569	$ 659,395	$ 701,077	$ 654,757	$ 342,745	$ 325,977	$ 344,030	$ 332,590
Employee fringe benefits	272,598	214,294	271,978	244,981	122,656	102,009	106,651	112,514
Materials and supplies	243,200	183,585	244,200	232,142	22,250	19,914	22,250	18,972
Services and other	151,586	93,107	172,440	97,992	28,475	19,897	31,475	18,784
Capital outlay	1,105,802	1,149,112	559,088	813,109	107,543	98,052	125,149	94,103
Construction	2,052,842	1,917,393	2,095,000	1,230,843	-	-	-	-
Transfers out	-	-	-	-	5,675	5,675	5,725	5,675
Total Disbursements	$ 4,518,597	$ 4,216,886	$ 4,043,783	$ 3,273,824	$ 629,344	$ 571,524	$ 635,280	$ 582,638
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,044,081)	$ (297,095)	$ (741,874)	$ 172,608	$ 69,215	$ 149,130	$ 25,489	$ 131,949
CASH AND INVESTMENTS, JANUARY 1	1,049,826	1,049,826	752,731	752,731	212,968	212,968	362,098	362,098
CASH AND INVESTMENTS, DECEMBER 31	$ 5,745	$ 752,731	$ 10,857	$ 925,339	$ 282,183	$ 362,098	$ 387,587	$ 494,047

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ROAD AND BRIDGE DEBT SERVICE FUND				UNEMPLOYMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	800	581	300	412	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 800	$ 581	$ 300	$ 412	$ -	$ -	$ -	$ -
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	2,000	2,496	2,500	2,815
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	100,000	144,000	100,000	-	17,143	17,143	15,179	15,179
Total Disbursements	$ 100,000	$ 144,000	$ 100,000	$ -	$ 19,143	$ 19,639	$ 17,679	$ 17,994
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (99,200)	$ (143,419)	$ (99,700)	$ 412	$ (19,143)	$ (19,639)	$ (17,679)	$ (17,994)
CASH AND INVESTMENTS, JANUARY 1	274,085	274,085	130,666	130,666	171,430	171,430	151,791	151,791
CASH AND INVESTMENTS, DECEMBER 31	$ 174,885	$ 130,666	$ 30,966	$ 131,078	$ 152,287	$ 151,791	$ 134,112	$ 133,797

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	USE TAX FUND				HEALTH DEPARTMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	607,377	602,572	553,439	571,297
Charges for services	-	-	-	-	128,500	123,604	120,486	123,653
Interest	850	925	900	970	650	816	800	808
Other	-	-	-	-	28,000	56,790	22,790	25,028
Transfers in	-	-	-	-	130,400	80,000	80,000	80,000
Total Receipts	$ 850	$ 925	$ 900	$ 970	$ 894,927	$ 863,782	$ 777,515	$ 800,786
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 595,000	$ 526,897	$ 556,000	$ 542,713
Employee fringe benefits	-	-	-	-	173,403	165,128	193,184	200,166
Materials and supplies	-	-	-	-	11,100	10,187	9,500	7,476
Services and other	-	-	-	-	83,630	140,344	57,383	101,028
Capital outlay	-	-	-	-	-	-	3,000	4,645
Construction	-	-	-	-	-	-	-	-
Transfers out	850	937	925	925	-	-	-	-
Total Disbursements	$ 850	$ 937	$ 925	$ 925	$ 863,133	$ 842,556	$ 819,067	$ 856,028
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ (12)	$ (25)	$ 45	$ 31,794	$ 21,226	$ (41,552)	$ (55,242)
CASH AND INVESTMENTS, JANUARY 1	302,485	302,485	302,473	302,473	248,652	248,652	269,878	269,878
CASH AND INVESTMENTS, DECEMBER 31	$ 302,485	$ 302,473	$ 302,448	$ 302,518	$ 280,446	$ 269,878	$ 228,326	$ 214,636

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ELECTION FUND				CRISIS INTERVENTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,500	2,929	5,000	3,296
Charges for services	53,050	42,370	48,000	46,008	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 53,050	$ 42,370	$ 48,000	$ 46,008	$ 3,500	$ 2,929	$ 5,000	$ 3,296
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	600	283	600	717	-	-	-	-
Services and other	52,450	43,490	47,400	44,293	3,500	3,179	5,000	2,796
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 53,050	$ 43,773	$ 48,000	$ 45,010	$ 3,500	$ 3,179	$ 5,000	$ 2,796
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ (1,403)	$ -	$ 998	$ -	$ (250)	$ -	$ 500
CASH AND INVESTMENTS, JANUARY 1	1,403	1,403	-	-	686	686	436	436
CASH AND INVESTMENTS, DECEMBER 31	$ 1,403	$ -	$ -	$ 998	$ 686	$ 436	$ 436	$ 936

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION SERVICES FUND				SHERIFF'S TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	13,331	6,786	13,909	2,470	3,500	3,816	4,000	3,993
Charges for services		-	-	-	8,300	8,064	8,200	9,666
Interest	49	40	40	26	-	-	200	-
Other	4	-	-	-	-	456	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 13,384	$ 6,826	$ 13,949	$ 2,496	$ 11,800	$ 12,336	$ 12,400	$ 13,659
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	150	-	-	-	-	-	-	-
Services and other	2,075	1,560	1,575	64	5,000	8,810	9,000	3,982
Capital outlay	11,095	11,095	11,095	3,521	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 13,320	$ 12,655	$ 12,670	$ 3,585	$ 5,000	$ 8,810	$ 9,000	$ 3,982
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 64	$ (5,829)	$ 1,279	$ (1,089)	$ 6,800	$ 3,526	$ 3,400	$ 9,677
CASH AND INVESTMENTS, JANUARY 1	16,805	16,805	10,976	10,976	39,175	39,175	42,701	42,701
CASH AND INVESTMENTS, DECEMBER 31	$ 16,869	$ 10,976	$ 12,255	$ 9,887	$ 45,975	$ 42,701	$ 46,101	$ 52,378

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S DRUG ENFORCEMENT FUND				SHERIFF'S CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	700,000	1,098,638	360,000	466,013	-	16,210	16,300	16,070
Charges for services	-	-	-	-	35,000	32,385	32,400	32,140
Interest	11,000	11,360	700	13,979	475	505	500	559
Other	10,000	26,690	-	1,365	-	-	-	-
Transfers in	-	-	-	4,230	-	-	-	-
Total Receipts	$ 721,000	$ 1,136,688	$ 360,700	$ 485,587	$ 35,475	$ 49,100	$ 49,200	$ 48,769
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -		$ -
Employee fringe benefits	-	-	-	-	-	-		-
Materials and supplies	7,000	5,572	-	-	3,500	3,993	3,500	2,582
Services and other	91,120	58,449	-	29,480	20,000	18,390	18,800	17,641
Capital outlay	310,000	414,943	-	43,390	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	75,000	277,934	2,200,000	2,183,081	11,612	11,547	11,652	12,095
Total Disbursements	$ 483,120	$ 756,898	$ 2,200,000	$ 2,255,951	$ 35,112	$ 33,930	$ 33,952	$ 32,318
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 237,880	$ 379,790	$ (1,839,300)	$ (1,770,364)	$ 363	$ 15,170	$ 15,248	$ 16,451
CASH AND INVESTMENTS, JANUARY 1	2,921,046	2,921,046	3,300,836	3,300,836	155,159	155,159	170,329	170,329
CASH AND INVESTMENTS, DECEMBER 31	$ 3,158,926	$ 3,300,836	$ 1,461,536	$ 1,530,472	$ 155,522	$ 170,329	$ 185,577	$ 186,780

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	2,120,000	2,158,050	2,200,000	2,145,754
Intergovernmental	-	-	-	-	1,684,500	2,556,803	1,824,792	2,743,546
Charges for services	50,000	7,370	8,000	10,631	134,980	158,822	126,500	153,707
Interest	400	397	300	326	8,500	16,639	12,000	23,440
Other	-	-	-	-	7,000	18,808	9,000	6,775
Transfers in	-	-	-	-	712,105	915,202	2,833,186	2,799,492
Total Receipts	$ 50,400	$ 7,767	$ 8,300	$ 10,957	$ 4,667,085	$ 5,824,324	$ 7,005,478	$ 7,872,714
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 2,424,339	$ 2,316,955	$ 2,619,702	$ 2,437,854
Employee fringe benefits	-	-	-	-	904,050	772,524	1,049,349	950,385
Materials and supplies	2,000	675	1,500	1,231	504,300	537,992	459,200	510,333
Services and other	20,000	6,556	10,000	6,367	559,425	601,810	1,004,900	758,848
Capital outlay	-	-	-	-	103,150	123,785	395,350	318,716
Construction	-	-	-	-	-	142,970	2,200,000	2,147,767
Transfers out	26,489	27,487	27,489	28,505	25,000	25,000	25,000	25,000
Total Disbursements	$ 48,489	$ 34,718	$ 38,989	$ 36,103	$ 4,520,264	$ 4,521,036	$ 7,753,501	$ 7,148,903
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 1,911	$ (26,951)	$ (30,689)	$ (25,146)	$ 146,821	$ 1,303,288	$ (748,023)	$ 723,811
CASH AND INVESTMENTS, JANUARY 1	139,352	139,352	112,401	112,401	3,696,344	3,696,344	4,999,632	4,999,632
CASH AND INVESTMENTS, DECEMBER 31	$ 141,263	$ 112,401	$ 81,712	$ 87,255	$ 3,843,165	$ 4,999,632	$ 4,251,609	$ 5,723,443

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S INMATE SECURITY FUND				LAW ENFORCEMENT BUILDING MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	56,000	65,610	65,000	73,443	-	-	-	-
Interest	150	217	200	324	1,050	1,100	1,150	1,769
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	25,000	25,000	25,000	25,000
Total Receipts	$ 56,150	$ 65,827	$ 65,200	$ 73,767	$ 26,050	$ 26,100	$ 26,150	$ 26,769
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	17,200	18,923	20,000	18,432	-	-	-	-
Services and other	25,500	14,793	25,000	13,405	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	3,400	3,360	3,400	3,400	-	-	-	-
Total Disbursements	$ 46,100	$ 37,076	$ 48,400	$ 35,237	$ -	$ -	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 10,050	$ 28,751	$ 16,800	$ 38,530	$ 26,050	$ 26,100	$ 26,150	$ 26,769
CASH AND INVESTMENTS, JANUARY 1	58,085	58,085	86,836	86,836	248,636	248,636	274,736	274,736
CASH AND INVESTMENTS, DECEMBER 31	$ 68,135	$ 86,836	$ 103,636	$ 125,366	$ 274,686	$ 274,736	$ 300,886	$ 301,505

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY DRUG ENFORCEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	100,000	145,234	75,000	37,722
Charges for services	90,000	73,110	73,000	87,930	2,000	1,422	1,200	-
Interest	100	81	80	41	1,300	-	-	2,222
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	51,200
Total Receipts	$ 90,100	$ 73,191	$ 73,080	$ 87,971	$ 103,300	$ 146,656	$ 76,200	$ 91,144
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	7,700	7,476	7,700	7,936
Services and other	-	-	-	-	78,500	83,380	93,100	78,867
Capital outlay	-	-	-	-	70,100	46,650	53,500	32,921
Construction	-	-	-	-	-	-	-	-
Transfers out	90,000	90,000	85,000	85,000	10,000	8,947	12,000	9,197
Total Disbursements	$ 90,000	$ 90,000	$ 85,000	$ 85,000	$ 166,300	$ 146,453	$ 166,300	$ 128,921
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 100	$ (16,809)	$ (11,920)	$ 2,971	$ (63,000)	$ 203	$ (90,100)	$ (37,777)
CASH AND INVESTMENTS, JANUARY 1	29,294	29,294	12,485	12,485	309,110	309,110	309,313	309,313
CASH AND INVESTMENTS, DECEMBER 31	$ 29,394	$ 12,485	$ 565	$ 15,456	$ 246,110	$ 309,313	$ 219,213	$ 271,536

The accompanying Notes to the Financial Statements are an integral part of these statements.

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	200	29	-	-
Charges for services	2,000	2,041	2,000	2,466	-	-	-	-
Interest	-	-	-	-	100	112	112	109
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,000	$ 2,041	$ 2,000	$ 2,466	$ 300	$ 141	$ 112	$ 109
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	-	2,000	-	1,000	615	1,000	988
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,000	$ -	$ 2,000	$ -	$ 1,000	$ 615	$ 1,000	$ 988
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 2,041	$ -	$ 2,466	$ (700)	$ (474)	$ (888)	$ (879)
CASH AND INVESTMENTS, JANUARY 1	11,941	11,941	13,982	13,982	34,793	34,793	34,319	34,319
CASH AND INVESTMENTS, DECEMBER 31	$ 11,941	$ 13,982	$ 13,982	$ 16,448	$ 34,093	$ 34,319	$ 33,431	$ 33,440

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-12

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATIVE HANDLING FUND				SHELTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	19,500	12,461	14,500	14,369	10,000	12,729	12,000	13,776
Interest	300	299	300	216	5	1	1	1
Other	200	5	20	7	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 20,000	$ 12,765	$ 14,820	$ 14,592	$ 10,005	$ 12,730	$ 12,001	$ 13,777
DISBURSEMENTS								
Salaries	$ 20,000	$ 23,615	$ 24,000	$ 19,035	$ -	$ -	$ -	$ -
Employee fringe benefits	4,125	5,371	5,710	5,885	-	-	-	-
Materials and supplies	500	328	350	-	-	-	-	-
Services and other	5,570	4,299	4,300	2,799	10,000	13,570	12,000	13,480
Capital outlay	500	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	37,196	-	-	-	-
Total Disbursements	$ 30,695	$ 33,613	$ 34,360	$ 64,915	$ 10,000	$ 13,570	$ 12,000	$ 13,480
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (10,695)	$ (20,848)	$ (19,540)	$ (50,323)	$ 5	$ (840)	$ 1	$ 297
CASH AND INVESTMENTS, JANUARY 1	96,485	96,485	75,637	75,637	3,930	3,930	3,090	3,090
CASH AND INVESTMENTS, DECEMBER 31	$ 85,790	$ 75,637	$ 56,097	$ 25,314	$ 3,935	$ 3,090	$ 3,091	$ 3,387

The accompanying Notes to the Financial Statements are an integral part of these statements.

PHELPS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FEE FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	22,828	21,100	21,583	20,032	49,695	45,124	47,000	50,532
Interest	116	144	120	147	200	226	225	211
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	18,603	18,764
Total Receipts	$ 22,944	$ 21,244	$ 21,703	$ 20,179	$ 49,895	$ 45,350	$ 65,828	$ 69,507
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	500	493	1,000	122	6,000	18,966	3,000	3,906
Services and other	37,350	5,675	37,350	38,489	53,900	27,181	29,250	29,416
Capital outlay	3,900	1,929	6,900	11,800	25,200	19,327	17,000	7,311
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 41,750	$ 8,097	$ 45,250	$ 50,411	$ 85,100	$ 65,474	$ 49,250	$ 40,633
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (18,806)	$ 13,147	$ (23,547)	$ (30,232)	$ (35,205)	$ (20,124)	$ 16,578	$ 28,874
CASH AND INVESTMENTS, JANUARY 1	42,077	42,077	55,224	55,224	63,771	63,771	43,647	43,647
CASH AND INVESTMENTS, DECEMBER 31	$ 23,271	$ 55,224	$ 31,677	$ 24,992	$ 28,566	$ 43,647	$ 60,225	$ 72,521

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-14

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PUBLIC FACILITIES AUTHORITY FUND				JAY WHITE ESTATE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	3,000	3,984	3,500	6,380	1,100	1,175	1,100	2,387
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,000	$ 3,984	$ 3,500	$ 6,380	$ 1,100	$ 1,175	$ 1,100	$ 2,387
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	197,700	167,853	29,850	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	4,794	4,794	3,984	3,984	1,138	1,138	1,175	1,175
Total Disbursements	$ 202,494	$ 172,647	$ 33,834	$ 3,984	$ 1,138	$ 1,138	$ 1,175	$ 1,175
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (199,494)	$ (168,663)	$ (30,334)	$ 2,396	$ (38)	$ 37	$ (75)	$ 1,212
CASH AND INVESTMENTS, JANUARY 1	830,614	830,614	661,951	661,951	214,228	214,228	214,265	214,265
CASH AND INVESTMENTS, DECEMBER 31	$ 631,120	$ 661,951	$ 631,617	$ 664,347	$ 214,190	$ 214,265	$ 214,190	$ 215,477

The accompanying Notes to the Financial Statements are an integral part of these statements.

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COMMUNITY DEVELOPMENT BLOCK GRANT FUND				DEVELOPMENTALLY DISABLED FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 407,121	$ 426,337	$ 407,271	$ 473,971
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	347,827	324,856	25,870	5,000	1,680	955	1,300	806
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,500	1,724	1,700	1,891
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 347,827	$ 324,856	$ 25,870	$ 5,000	$ 410,301	$ 429,016	$ 410,271	$ 476,668
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,072	3,072	25,870	5,000	386,644	310,291	443,934	435,347
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	342,755	321,784	-	-	-	-	-	-
Total Disbursements	$ 347,827	$ 324,856	$ 25,870	$ 5,000	$ 386,644	$ 310,291	$ 443,934	$ 435,347
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ 23,657	$ 118,725	$ (33,663)	$ 41,321
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	423,819	423,819	542,544	542,544
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ -	$ -	$ -	$ 447,476	$ 542,544	$ 508,881	$ 583,865

The accompanying Notes to the Financial Statements are an integral part of these statements.

PHELPS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR COMPANIONS FUND				SENATE BILL 40 BOARD FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	339,849	327,858	339,849	343,075	1,645,000	1,571,418	1,683,434	1,668,676
Charges for services	-	-	-	-	-	-	-	18,000
Interest	-	-	-	-	-	1,476	-	1,762
Other	-	-	-	-	-	-	-	2,202
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 339,849	$ 327,858	$ 339,849	$ 343,075	$ 1,645,000	$ 1,572,894	$ 1,683,434	$ 1,690,640
DISBURSEMENTS								
Salaries	$ 82,646	$ 84,484	$ 84,298	$ 85,084	$ 675,000	$ 650,889	$ 750,000	$ 717,041
Employee fringe benefits	25,133	26,630	27,224	28,227	175,000	165,548	200,000	203,987
Materials and supplies	-	-	-	-	50,000	13,208	50,000	17,883
Services and other	232,070	216,353	228,327	230,404	289,600	180,931	272,500	172,937
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 339,849	$ 327,467	$ 339,849	$ 343,715	$ 1,189,600	$ 1,010,576	$ 1,272,500	$ 1,111,848
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 391	$ -	$ (640)	$ 455,400	$ 562,318	$ 410,934	$ 578,792
CASH AND INVESTMENTS, JANUARY 1	441	441	832	832	2,683,313	2,683,313	3,245,631	3,245,631
CASH AND INVESTMENTS, DECEMBER 31	$ 441	$ 832	$ 832	$ 192	$ 3,138,713	$ 3,245,631	$ 3,656,565	$ 3,824,423

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

PHELPS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Cash Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Cash Equivalents December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Cash Equivalents December 31, 2018
Treasurer Criminal Cost	$ -	$ 482,328	$ 482,328	$ -	$ 466,785	$ 466,785	$ -
Treasurer Surplus Tax	29,092	22,662	9,831	41,923	77,372	15,973	103,322
Treasurer School Principal	216,831	407,018	420,412	203,437	519,750	463,075	260,112
Treasurer School District	-	20,531,645	20,531,645	-	23,542,577	23,542,577	-
Treasurer Intangible Tax	-	3,663	3,663	-	4,278	4,278	-
Treasurer Fire District/Ambulance/Cities	-	3,115,989	3,115,989	-	3,517,902	3,517,902	-
Treasurer CERF	-	193,364	193,364	-	247,211	247,211	-
Collector	15,010,735	28,032,695	27,316,778	15,726,652	29,927,249	30,704,439	14,949,462
Public Administrator	1,408,894	952,878	1,172,591	1,189,181	799,106	966,551	1,021,736
Recorder	21,984	264,743	267,739	18,988	264,139	264,641	18,486
Prosecuting Attorney	11,235	242,976	233,528	20,683	229,059	245,086	4,656
Sheriff Civil Fees	5,762	151,931	151,678	6,015	167,820	168,488	5,347
Sheriff Inmate Security	44,525	417,459	413,754	48,230	388,328	397,817	38,741
Sheriff Civil Asset Forfeiture	11,670	1,132,285	732,262	411,693	1,899,627	2,284,535	26,785
County Clerk Fees	3	1,663	1,383	283	1,529	1,293	519
County Clerk Passport	650	29,855	28,580	1,925	35,910	34,170	3,665
Total	$ 16,761,381	$ 55,983,154	$ 55,075,525	$ 17,669,010	$ 62,088,642	$ 63,324,821	$ 16,432,831

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Phelps County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are eleven elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, Surveyor, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Phelps County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from

accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2017	2018
Road and Bridge Debt Service	✓	N/A
Unemployment	✓	✓
Use Tax	✓	N/A
Health Department	N/A	✓
Sheriff's Training	✓	N/A
Sheriff's Drug Enforcement	✓	✓
Law Enforcement Sales Tax	✓	N/A
Administrative Handling	✓	✓
Shelter	✓	✓
Recorder User Fee	N/A	✓
Senior Companions	N/A	✓

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	2018	2017
Real Estate	$ 459,768,110	$ 451,087,290
Personal Property	118,054,723	114,587,253
Railroad and Utilities	21,166,509	20,847,223
Total	$ 598,989,342	$ 586,521,766

For calendar years 2018 and 2017, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018	2017
General Revenue	$ 0.1215	$ 0.1221
Special Road and Bridge	0.1153	0.1156
Developmentally Disabled	0.0720	0.0718

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an

original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County's deposits were $17,801,983 and $17,884,642, respectively, and the bank balances were $17,936,626 and $18,098,109, respectively. Of the bank balances, $1,000,000 and $750,000 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the carrying amounts of the County's custodial funds were $16,432,831 and $17,669,010, respectively, and the bank balances were $16,440,226 and $17,667,711, respectively. Of the bank balances, $1,353,005 and $1,768,683 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Phelps County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Phelps County contribute 4% of their gross salary. The January 1st statutorily required contribution rates were 7.0% and 7.5% (General), and 9.4% and 8.4% (Police) of annual covered payroll for 2018 and 2017 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2018 and 2017, the County contributed $396,556 and $401,669 to LAGERS.

4) Funding Status

As of February 28, 2018, the actuarial value of plan assets exceeded accrued liabilities by $1,554,978 and $332,215 for the General and Police divisions, respectively. As of February 29, 2017, the actuarial value of plan assets exceeded accrued liabilities by $1,218,437 and $121,528 for the General and Police divisions, respectively. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. Beginning January 1, 2018, the County contributes 1% of the required 4% as a benefit. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2018 and 2017, the County collected and remitted to CERF employee withholdings and fees collected of $247,211 and $193,364, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $9,690 and $12,920, respectively, for the years ended December 31, 2018 and 2017.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides employees four hours of sick leave per biweekly pay period with no limit on the amount that can be accrued. Upon termination, employees will not be compensated for any unused sick time. Vacation time will accrue at a rate between 10 and 20 days per year depending on length of employment. Beginning in 2010, the vacation carryover into the following years was limited to one year's accrual based on an employee's length of service. However, employees with balances in excess of one year's accrual at the time of adoption in 2010 were allowed to retain those balances. Upon termination, employees will be paid for any unused vacation.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have

not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had no long-term debt outstanding as of either December 31, 2018 or 2017. In February 2015, the County entered into a non-cancelable lease purchase agreement to finance one 2015 Caterpillar excavator at the cost of $106,872. The agreement called for two annual payments of $20,769 and one final payment of $70,000 in 2017, including interest at 2.98%. The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
2015 Caterpillar Excavator	$ 67,939	$ -	$ (67,939)	$ -	$ 2,061

8. OPERATING LEASES

The County had the following obligations under capital leases as of December 31, 2018:

A. In September 2018, the County entered into a non-cancelable lease agreement for a postage meter inclusive of maintenance and updates. The lease calls for monthly payments of $970 for 60 months.

B. In August 2018, the County entered into two non-cancelable lease agreements for two 2018 Caterpillar 12M3AWD motor graders, under which the County could purchase the motor graders at the end of the lease for $140,280 each. The agreement calls for seven annual payments of $25,676 ending in 2024.

C. In December 2018, the County entered into two non-cancelable lease agreements for two 2018 Caterpillar 12M3AWD motor graders, under which the County could purchase the motor graders at the end of the lease for $142,590 each. The agreement calls for seven annual payments of $25,676 ending in 2024.

The following schedule represents future payments under operating leases:

Year Ending December 31,	Postage Meter	Grader N9B00671	Grader N9B00672	Grader N9B00689	Grader N9B00690	Total
2019	$ 11,643	$25,676	$25,676	$25,676	$25,676	$114,347
2020	11,643	25,676	25,676	25,676	25,676	114,347
2021	11,643	25,676	25,676	25,676	25,676	114,347
2022	11,643	25,676	25,676	25,676	25,676	114,347
2023	11,643	25,676	25,676	25,676	25,676	114,347
2024	-	25,676	25,676	25,676	25,676	102,704
Purchase Option	N/A	140,280	140,280	142,590	142,590	

9. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 8, 2019, the date the financial statements were available to be issued.

In April 2019, the County entered into a non-cancelable lease agreement for a 2019 Caterpillar mini excavator, under which the County could purchase the excavator at the end of the lease for $52,290. The agreement calls for seven annual payments of $20,380 ending in 2025.

For the Fiscal Year Ending December 31,	Mini Excavator
2019	$ 20,380
2020	20,380
2021	20,380
2022	20,380
2023	20,380
2024	20,380
2025	20,380
Purchase Option	52,290

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Phelps County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Phelps County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Phelps County, Missouri's basic financial statements and have issued our report thereon dated July 8, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Phelps County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Phelps County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Phelps County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Phelps County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2018-002.

Phelps County, Missouri's Response to Findings

Phelps County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Phelps County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 8, 2019

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Phelps County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Phelps County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Phelps County, Missouri's major federal programs for the years ended December 31, 2017 and 2018. Phelps County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Phelps County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Phelps County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Phelps County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Phelps County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2017 and 2018.

Report on Internal Control over Compliance

Management of Phelps County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Phelps County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Phelps County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-003, that we consider to be a significant deficiency.

Phelps County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Phelps County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 8, 2019

PHELPS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2017	2018	Federal Awards Passed-Through to Subrecipients
	U.S. DEPARTMENT OF AGRICULTURE				
	Passed through Missouri Department of Health and Senior Services -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	DHSS 18WIC	$ 202,450	$ 211,259	$ -
	Passed through Missouri Office of Administration -				
10.665	Schools and Roads - Grants to States (Forest Service Schools and Roads Cluster)	PL106-393	120,552	190,632	233,388
10.704	U.S. Forest Service Campground Patrol	13-LE-11090500-026	3,672	1,710	-
10.704	U.S. Forest Service Meth/Cannabis	13-LE-11090500-010	-	2,498	-
	Total 10.704		$ 3,672	$ 4,208	$ -
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	Passed through Missouri Department of Economic Development -				
14.228	Community Development Block Grant	2010-PF-63	3,072	-	-
		2014-PF-12	321,784	3,000	-
		2015-PF-03	-	2,000	-
	Total 14.228 / CDBG - Entitlement Grants Cluster		$ 324,856	$ 5,000	$ -
	U.S. DEPARTMENT OF THE INTERIOR				
15.226	Federal Forest Payment in Lieu of Taxes	n/a	123,209	137,209	-
	U.S. DEPARTMENT OF JUSTICE				
	Passed through Missouri Sheriff's Association -				
16.000	Domestic Cannabis Eradication Program	SI-WC-010-13	30,730	23,929	-
16.575	Passed through Missouri Department of Social Services -				
	Crime Victim Assistance	2016-VA-GX-4056	12,242	-	-
		2017-VA-GX-0079	52,875	-	-
		2018-VA-GX-0035	-	108,028	-
	Total 16.575		$ 65,117	$ 108,028	$ -
	Direct Program				
16.922	Equitable Sharing Program	MO0810000	756,898	2,255,951	24,306
		MO081013A	146,453	128,921	17,956
	Total 16.922		$ 903,351	$ 2,384,872	$ 42,262
	U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through Missouri Department of Transportation -				
20.224	Federal Lands Access Program (Highway Planning and Construction Cluster)	FLAP-9900(597)	10,421	-	-
	Passed through Missouri Department of Public Safety -				
20.616	National Priority Safety Programs	ENF-17-AL-165	5,590	-	-
		ENF-PT-02-114	4,377	-	-
		18-154-AL-112	-	10,554	-
		18-PT-02-089	-	15,743	-
	Total 20.616 / Highway Safety Cluster		$ 9,967	$ 26,297	$ -
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Passed through Missouri Department of Social Services -				
93.563	Child Support Enforcement	CE924884-02	53,984	60,052	-
93.758	HEAL	AOC15380136	16,521	-	-
	Passed through Missouri Department of Health and Senior Services -				
93.136	Violent Death and Enhanced Opioid Surveillance	n/a	210	330	-
93.069	Public Health Emergency Preparedness	AOC14380115	38,154	53,623	-
93.074	Ebola Preparedness	n/a	14,441	-	-
93.575	Assistance Programs for Chronic Disease Prevention and Control (CCDF Cluster)	DH160014064	8,653	13,237	-
93.994	Maternal and Child Health Services	AOC15380065	41,696	47,702	-
		AOC16380041	21,250	86,850	-
	Total 93.994		$ 62,946	$ 134,552	$ -
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
94.016	Senior Companions Program (Foster Grandparents/Senior Companion Cluster)	16SCWMO001	327,858	343,075	-
	U. S. DEPARTMENT OF HOMELAND SECURITY				
	Passed through Missouri Department of Public Safety -				
97.036	Disaster Grants - Public Assistance Grants (Presidentially-declared disasters)	FEMA-4317-DR-MO	194,548	402,119	-
97.042	Emergency Management Performance Grants	EMK-2016-00006-004	7,800	-	-
		EMK-2016-00006-004	-	5,850	-
	Total 97.042		$ 7,800	$ 5,850	$ -
	Total Expenditures of Federal Awards		$ 2,519,440	$ 4,104,272	$ 275,650

See accompanying Notes to the Schedule of Expenditures of Federal Awards

PHELPS COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Phelps County, Missouri for the years ended December 31, 2018 and 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

PHELPS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
- Material weakness(es) identified?	___ Yes __X__ No
- Significant deficiencies identified that are not considered to be material weaknesses?	__X__ Yes ___ None reported
- Noncompliance material to financial statements noted?	__X__ Yes ___ No

Federal Awards:

Internal Control Over Major Programs:	
- Material weakness(es) identified?	___ Yes __X__ No
- Significant deficiencies identified that are not considered to be material weaknesses?	__X__ Yes ___ None reported
Type of Auditor's Report Issued on Compliance For Major Programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance section 200.516?	__X__ Yes ___ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
16.922	Equitable Sharing Program

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$750,000
Auditee Qualified as low-risk:	___ Yes __X__ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2018-001. Internal Control Over Cash Disbursements

Criteria: A proper system of internal control requires adequate documentation of financial records and reconciliations between financial records and supporting documentation.

Condition: Beginning in fall 2017, invoices were not stamped "paid" or otherwise cancelled to prevent duplicate payment as required by the County's internal control practices.

Cause: The County Clerk's office hired a new accounts payable clerk who was not trained to cancel invoices prior to payment.

Effect: Multiple duplicate payments occurred in 2018 due to County Clerk personnel not knowing whether an invoice was previously paid. These were resolved through credits to future bills or the checks were returned by vendors and voided by the County.

Recommendation: We recommend the County Clerk ensure that the policy of canceling all invoices when payments are issued is consistently followed to prevent duplicate payments.

County's Response: Going forward, paid invoices are being stamped as such. Additionally, the Accounts Payable staff is instituting measures during invoice entry to insure that unique invoice number for any particular vendor will be used, which will result in an alert within the accounting system that the invoice has already been paid.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2018-002. Budgetary Compliance

Criteria: Section 50.740, RSMo prohibits expenditures in excess of approved budgets.

Condition: Expenditures exceeded budgeted appropriations for eight funds in 2017 and seven funds in 2018. The detailed list of funds can be found in Note 1.D.10 to the financial statements.

Cause: The County did not adequately review and amend budgeted expenditures of each fund to ensure actual expenditures did not exceed budgeted appropriations.

Effect: In order to ensure the integrity of the budgeting process, the spending limit should be adhered to for each County fund.

Recommendation: We recommend the County refrain from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to fund the current-year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County's Response: Budget amendments are presented only once annually to the Commission, in December, per the recommendation of State Auditor personnel. These have been used to correct errata in budget data entry processes which are inevitable when thousands of entries must be made. On occasion new grants are received on the State Fiscal Year, which naturally occurs mid-fiscal year for the County and necessitates amending the budget for both revenue as well as the accompanying expenditure. In the future the amendment list will be expanded to include any expenditures in excess of original budgeted amounts, after these have been approved by the Office Holder/Department Head and the Commission.

Auditor's Evaluation: This matter was discussed with the State Auditor's Office and a recommendation has not been made by that office to only once annually amend the budget. The remaining response is appropriate to correct the concern.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-003. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Health and Human Services, U.S. Department of Homeland Security
Pass-Through Grantor: Missouri Office of Administration, Missouri Department of Transportation, Missouri Department of Social Services, Missouri Department of Public Safety
Federal CFDA Number: 10.665, 20.224, 93.767, 97.036
Program Title: Schools and Roads – Grants to States, Federal Lands Access Program, Children's Health Insurance Program, Disaster Grants - Public Assistance Grants (Presidentially-declared disasters)
Pass-through Entity Identifying Number: PL106-393, FLAP-9900(597), FEMA-4238-DR-MO, FEMA-4250-DR-MO, FEMA-4317-DR-MO
Award Year: 2017 and 2018
Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2017 and 2018 annual budget documents contained errors in amounts of federal expenditures reported. Expenditures of the Federal Lands Access Program (CFDA 20.224) were overstated by including $92,990 on the 2017 SEFA that was reported on the 2016 SEFA. Also in 2017, a $100,323 CORE Public Health Grant from the State of Missouri was incorrectly reported as a federal grant under CFDA 93.767. Additionally, the 2017 SEFA overstated $521,596 in Disaster Grants funds (CFDA 97.036) which were reported on the 2016 SEFA.

The 2018 SEFA understated Schools and Roads – Grants to States (CFDA 10.665) by $153,337. Additionally, the 2018 SEFA understated Disaster Grants funds (CFDA 97.036) by $104,429 by reporting grant revenues as opposed to expenses.

This finding was noted in the prior audit for the years ended December 31, 2015 and 2016 as item 2016-004.

Cause: The County reported amounts reimbursed under federal programs rather than amounts spent. Expenditures which were reported on the SEFA in previous years were included on current period schedules. A Health Department grant that was from state funds was reported as federal.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2018 and 2017.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA accurately states the expenditures of federal awards of the County each year.

County's Response: Grant agreements have always required Commission approval. In the future, it will be mandatory that the point of contact within the County for that particular grant provide a one-page form ("Grant Recipient Information") both at the initiation of the grant agreement and in mid-January after the completion of each year. This burden will no longer fall on the County Clerk, but on the department personnel most directly responsible for the financial management of the grant.

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

- **Summary Schedule of Prior Audit Findings**
- **Corrective Action Plan**

RANDY VERKAMP
PRESIDING COMMISSIONER
573-458-6120

LARRY J. STRATMAN
COMMISSIONER DISTRICT I
573-458-6121

GARY W. HICKS
COMMISSIONER DISTRICT II
573-458-6122

Phelps County Commission

PHELPS COUNTY COURTHOUSE
200 NORTH MAIN STREET, SUITE 105
ROLLA, MISSOURI 65401

Phone: 573-458-6000
Fax: 573-458-6119

PAMELA K. GROW
COUNTY CLERK
573-458-6101

PHELPS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Phelps County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2016 and 2015.

2016-001: Documentation of the County's internal controls has not been prepared for all offices.

Status: Resolved.

2016-002: There is no formal fraud risk assessment in place.

Status: Resolved.

2016-003: The County was not in compliance with Missouri budgetary statute RSMo Chapter 50. There were eleven funds in 2016 and nine funds in 2015 that had actual expenditures in excess of budgeted appropriations. There was one fund in 2016 and two funds in 2015 for which no formal budget was prepared.

Status: Partially resolved. See Finding 2018-002.

2016-004: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Status: Not resolved. See Finding 2018-003.

PHELPS COUNTY, MISSOURI
CORRECTIVE ACTION PLAN

Finding Reference Number: 2018-001

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Pam Grow, County Clerk

Views of Responsible Individuals: **Going forward, paid invoices are being stamped as such. Additionally, the Accounts Payable staff is instituting measures during invoice entry to insure that unique invoice numbers for any particular vendor will be used, which will result in an alert within the accounting system that the invoice has already been paid.**

Finding Reference Number: 2018-002

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: County Commission

Views of Responsible Individuals: **Budget amendments are presented only once annually to the Commission, in December, per the recommendation of State Auditor personnel. These have been used to correct errata in budget data entry processes which are inevitable when thousands of entries must be made. On occasion new grants are received on the State Fiscal Year, which naturally occurs mid-fiscal year for the County and necessitates amending the budget for both revenue as well as the accompanying expenditure. In the future the amendment list will be expanded to include any expenditures in excess of original budgeted amounts, after these have been approved by the Office Holder/Department Head and the Commission.**

Finding Reference Number: 2018-003

Federal Agency: U.S. Department of Agriculture, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Health and Human Services, U.S. Department of Homeland Security

Program Name: Schools and Roads – Grants to States, Federal Lands Access Program, Children's Health Insurance Program, Disaster Grants – Public Assistance Grants (Presidentially-declared disasters)

CFDA Number: 10.665, 20.224, 93.767, 97.036

Responsible Official: Pam Grow, County Clerk

Views of Responsible Individuals: Grant agreements have always required Commission approval. In the future, it will be mandatory that the point of contact within the County for that particular grant provide a one-page form ("Grant Recipient Information", accompanies this document) both at the initiation of the grant agreement and in mid-January after the completion of each year. This burden will no longer fall on the County Clerk, but on the department personnel most directly responsible for the financial management of the grant.

Pamela K Grow
Phelps County Clerk
July 18, 2019

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

To the County Commission and
Officeholders of Phelps County, Missouri

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2018, we considered Phelps County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated July 8, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Personnel Policies and Procedures

The County has not adopted a written policy and procedure manual for all County employees. Policies regarding sick and vacation leave, among others, are informally maintained. The County indicated efforts are underway to draft a manual; however, it has not been formally adopted by the Commission and disseminated to County employees. We recommend the County adopt a formal written employee policy manual.

Senate Bill 40 Board Procedures

The bylaws of the Phelps County Board for the Developmentally Disabled require that "meetings shall be held at least quarterly, with exact date to be determined by the Chairman." The Board had only three meetings in 2017, with no meeting occurring after August 8, 2017. A planned October 2017 meeting was cancelled by the Executive Director. As of May 2019, the Board had not yet had a 2019 meeting. A planned March 2019 meeting was cancelled by the Executive Director. We recommend that the Board ensure that regular meetings are held in accordance with the bylaws.

In July 2018, 16 employees of the Phelps County Board for the Developmentally Disabled each received a $500 bonus for a total of $8,000. Additionally, the Board allows each family of a program participant up to $1,200 per year in "Emergency Funds," to be paid for out of Targeted Case Management Medicaid funding. A review of these expenditures revealed two payments totaling $540, including a $500 payment to the Board President, that did not have documentation to support the amount paid. We recommend that the Board adopt policies in writing regarding the authority to pay out bonuses to employees. We also recommend that the Board adopt a formal policy regarding the review, approval, and documentation of Emergency Funds disbursements.

County Collector Controls

During peak property tax collection months, employees receiving cash in the County Collector's office are assigned their own batch number and cash drawer. However, during spring, summer and fall months when fewer property tax receipts are collected, all employees operate out of the same cash drawer and post receipts to the same electronic batch. Multiple employees operating from the same cash drawer and electronic batch increases the risk of unreconciled cash differences due to misappropriation or error. Also, the County Collector maintains blank check stock and a signature stamp in an unlocked file cabinet drawer. The County Collector indicated that the stamp was not used for check signing, however, employees had unrestricted access to the County Collector's blank check stock and the signature stamp. We recommend the County Collector maintain a separate cash drawer and electronic batch for each employee receiving payments at all times during the year, and that the County Collector ensure the physical security of blank check stock and signature stamps.

Assessor's Cash Receipt Process

The Assessor's office receives payments of fees but does not maintain a bank account. Undeposited receipts are turned over on a monthly basis to the Treasurer. Depositing monies in the bank as soon as possible would help to ensure the physical security of cash and checks and prevent the risk of loss due to fraud or error. We recommend the Assessor consider opening a bank account and implementing internal control to ensure receipts are deposited daily. The County has indicated that they prefer to continue the current practice as maintaining a separate bank account would impose an additional burden and cost.

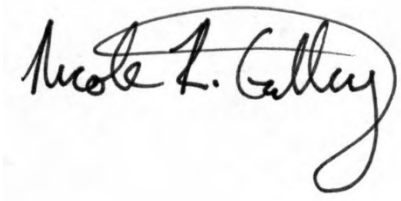
(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stone County, Missouri

The Office of the State Auditor contracted for an audit of Stone County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.



Nicole R. Galloway, CPA
State Auditor

September 2019
Report No. 2019-083

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Stone County

2018-001	The County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should closely monitor fund balances on an ongoing basis in order to prevent negative fund balances.
2018-002	The County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2018-003	Management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

The County of Stone
Galena, Missouri
Independent Auditor's Report and Financial Statements
For the years ended December 31, 2018 & 2017

Stopp&VanHoy
CPAs and Business Advisors

The County of Stone
Galena, Missouri
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Stopp&VanHoy
CPAs and Business Advisors

10425 Old Olive Street Road, Suite 101
Creve Coeur, MO 63141

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Stone County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Stone County, Missouri, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Stone County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Stone County, Missouri as of December 31, 2018 and 2017, or changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Stone County, Missouri as of December 31, 2018 and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stone County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated July 9, 2019 on our consideration of Stone County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Stone County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stone County, Missouri's internal control over financial reporting and compliance.

Creve Coeur, Missouri
July 9, 2019

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018

Fund	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	$ 961,645	$ 8,152,382	$ 8,113,949	$ 1,000,078
Special Road and Bridge	848,863	4,745,825	4,797,353	797,335
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	111,802	50,336	139,895	22,243
Special Road Projects	2,321	2,570	4,467	424
Flood Control	-	881,904	881,904	-
National Forest	-	36,113	36,113	-
Assessment	213,680	612,039	572,887	252,832
Law Enforcement Restitution	46,079	20,264	52,150	14,193
Election Grant	6,038	5,917	-	11,955
Law Enforcement Grant	2,249	25,182	18,877	8,554
Capital Improvement	43,424	200,548	226,084	17,888
Emergency	1,250,912	6,942	-	1,257,854
Law Enforcement Training	1,313	2,315	2,586	1,042
Prosecuting Attorney Training	14	416	931	(501)
Local Emergency Planning Committee	15,642	-	831	14,811
Insurance Claims Proceeds	12,528	54,866	67,268	126
Children's Trust	-	850	-	850
Abuse Victims	-	4,674	-	4,674
Inmate Security	24,546	62,293	53,915	32,924
Special Recorder	189,624	78,649	30,884	237,389
Special Recorder Capital Improvement	180,000	-	-	180,000
Sheriff Revolving	44,546	11,363	13,160	42,749
Election Services	24,669	7,382	6,118	25,933
Senior Citizens Service Board	144,687	305,597	311,103	139,181
Prosecuting Attorney Delinquent Tax	7,006	4,742	2,300	9,448
Drug Abuse Resistance Education (D.A.R.E.)	9,427	19,443	11,329	17,541
Jail Prisoner Transport	61,397	27,410	12,650	76,157
Reserve	303,954	1,569	57,192	248,331
Law Enforcement Civil Fees	22,194	46,970	66,732	2,432
Prosecuting Attorney Bad Check	7,106	7,672	10,289	4,489
Collector's Tax Maintenance	10,205	49,593	38,237	21,561
Tax Maintenance Archive	49,622	10,000	-	59,622
Edgewater Neighborhood Improv. Dist.	9,468	162,179	158,800	12,847
Black Oak Neighborhood Improv. Dist.	1	209,080	204,435	4,646
Federal Seized and Forfeiture	430	2	-	432
Tax Increment Financing	-	341,530	341,530	-
Bond Development	-	1,000,000	305,000	695,000
Total	$ 5,105,392	$ 17,148,617	$ 16,538,969	$ 5,715,040

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2017

Fund	Cash and Equivalents January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Equivalents December 31, 2017
General Revenue	$ 1,070,171	$ 7,540,589	$ 7,649,115	$ 961,645
Special Road and Bridge	1,103,969	4,482,963	4,738,069	848,863
Road and Bridge Reserve	500,000	-	-	500,000
Road and Bridge Capital Improvement	203,499	147,240	238,937	111,802
Special Road Projects	1,684	11,193	10,556	2,321
Flood Control	-	813,010	813,010	-
National Forest	-	18,891	18,891	-
Assessment	157,002	665,321	608,643	213,680
Law Enforcement Restitution	37,292	19,576	10,789	46,079
Election Grant	11,849	67	5,878	6,038
Law Enforcement Grant	(528)	3,017	240	2,249
Capital Improvement	62,269	175,833	194,678	43,424
Emergency	1,045,143	205,769	-	1,250,912
Law Enforcement Training	1,633	2,595	2,915	1,313
Prosecuting Attorney Training	1,566	511	2,063	14
Local Emergency Planning Committee	17,121	-	1,479	15,642
Insurance Claims Proceeds	4,819	29,507	21,798	12,528
Children's Trust	340	805	1,145	-
Abuse Victims	1,807	5,051	6,858	-
Inmate Security	26,276	56,389	58,119	24,546
Special Recorder	175,394	87,406	73,176	189,624
Special Recorder Capital Improvement	180,000	-	-	180,000
Sheriff Revolving	81,789	9,336	46,579	44,546
Election Services	22,794	5,979	4,104	24,669
Senior Citizens Service Board	143,869	287,600	286,782	144,687
Prosecuting Attorney Delinquent Tax	7,482	5,793	6,269	7,006
Drug Abuse Resistance Education (D.A.R.E.)	12,406	18,007	20,986	9,427
Jail Prisoner Transport	43,785	43,571	25,959	61,397
Reserve	302,530	1,424	-	303,954
Law Enforcement Civil Fees	33,195	76,446	87,447	22,194
Prosecuting Attorney Bad Check	9,280	7,293	9,467	7,106
Collector's Tax Maintenance	3,718	45,979	39,492	10,205
Tax Maintenance Archive	66,905	-	17,283	49,622
Edgewater Neighborhood Improv. Dist.	8,146	159,272	157,950	9,468
Black Oak Neighborhood Improv. Dist.	368	198,823	199,190	1
Federal Seized and Forfeiture	428	2	-	430
Tax Increment Financing	-	252,414	252,414	-
Bond Development	-	-	-	-
Total	$ 5,338,001	$ 15,377,672	$ 15,610,281	$ 5,105,392

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	General Revenue Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 736,000	$ 682,859	$ 727,141	$ 640,885
Sales Taxes	5,800,000	5,669,992	4,888,000	5,264,801
Intergovernmental	365,700	352,902	395,300	335,654
Charges for Services	1,055,156	1,109,579	1,072,400	1,028,689
Interest	10,000	19,063	5,000	8,203
Other Receipts	313,635	317,987	286,750	237,357
Transfers In	-	-	25,000	25,000
Total Receipts	8,280,491	8,152,382	7,399,591	7,540,589
Disbursements				
County Commission	227,108	223,975	219,448	218,155
County Clerk	166,578	162,339	172,063	160,579
Elections	231,784	200,396	192,353	132,391
Buildings and Grounds	332,948	320,132	324,178	306,349
Employee Fringe Benefits	1,071,706	1,027,666	1,043,374	1,032,994
County Treasurer	101,414	98,692	96,734	94,787
County Collector	316,023	308,748	315,954	294,502
Recorder of Deeds	173,960	171,493	170,273	168,706
Circuit Clerk	89,050	78,368	84,079	74,622
Court Administration	113,891	84,833	119,696	99,540
Public Administrator	79,550	69,521	78,250	70,083
Sheriff	1,734,874	1,719,460	1,694,530	1,660,485
Jail	810,124	782,945	762,057	730,420
Prosecuting Attorney	581,146	567,562	551,681	538,313
Juvenile Officer	125,490	122,279	123,821	108,628
County Coroner	83,540	74,237	62,640	51,570
Emergency Management	23,681	20,308	21,838	21,400
Janitorial	84,723	68,485	91,884	80,369
Planning and Zoning	239,887	214,281	214,538	197,926
Debt Service	579,887	592,572	283,000	271,250
Other Disbursements	500,000	562,450	574,190	546,999
Transfers Out	644,256	643,207	804,220	789,047
Emergency Fund	-	-	-	-
Total Disbursements	8,311,620	8,113,949	8,000,801	7,649,115
Receipts Over (Under) Disbursements	$ (31,129)	$ 38,433	$ (601,210)	$ (108,526)
Cash and Equivalents, Jan 1	961,645	961,645	1,070,171	1,070,171
Cash and Equivalents, Dec 31	$ 930,516	$ 1,000,078	$ 468,961	$ 961,645

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Special Road and Bridge Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ 7,000	$ 8,183	$ 7,000	$ 7,139
Sales Taxes	2,650,000	2,590,224	2,344,820	2,428,861
Intergovernmental	1,424,000	1,354,672	1,355,000	1,373,325
Charges for Services	-	-	-	-
Interest	4,400	8,149	4,400	7,020
Other Receipts	38,000	57,075	5,000	454
Transfers In	723,250	727,522	643,750	666,164
Total Receipts	4,846,650	4,745,825	4,359,970	4,482,963
Disbursements				
Salaries	1,165,237	1,096,050	1,172,184	1,112,763
Employee Fringe Benefits	421,869	369,906	405,674	386,350
Supplies	240,500	256,008	265,500	217,683
Insurance	70,000	67,040	70,000	68,009
Road and Bridge Materials	1,885,000	1,820,622	1,875,000	1,774,147
Equipment Repairs	240,000	218,822	285,000	212,352
Rentals	5,000	-	1,000	1,350
Equipment Purchases	795,000	769,737	825,000	801,377
Other Disbursements	126,550	110,862	122,550	114,490
Transfers Out	89,000	88,306	50,000	49,548
Total Disbursements	5,038,156	4,797,353	5,071,908	4,738,069
Receipts Over (Under) Disbursements	$ (191,506)	$ (51,528)	$ (711,938)	$ (255,106)
Cash and Equivalents, Jan 1	848,863	848,863	1,103,969	1,103,969
Cash and Equivalents, Dec 31	$ 657,357	$ 797,335	$ 392,031	$ 848,863

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Road and Bridge Reserve Fund				Road and Bridge Capital Improvement Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	23,900	-	54,000	121,492
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	350	336	200	748
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	50,000	50,000	25,000	25,000
Total Receipts	-	-	-	-	74,250	50,336	79,200	147,240
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	500,000	-	500,000	-	170,000	139,895	282,500	238,937
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	500,000	-	500,000	-	170,000	139,895	282,500	238,937
Receipts Over (Under) Disbursements	$ (500,000)	$ -	$ (500,000)	$ -	$ (95,750)	$ (89,559)	$ (203,300)	$ (91,697)
Cash and Equivalents, Jan 1	500,000	500,000	500,000	500,000	111,802	111,802	203,499	203,499
Cash and Equivalents, Dec 31	$ -	$ 500,000	$ -	$ 500,000	$ 16,052	$ 22,243	$ 199	$ 111,802

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Special Road Projects Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	8,500	2,570	9,000	11,193
Transfers In	-	-	-	-
Total Receipts	8,500	2,570	9,000	11,193
Disbursements				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	10,600	4,467	10,600	10,556
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	10,600	4,467	10,600	10,556
Receipts Over (Under) Disbursements	$ (2,100)	$ (1,897)	$ (1,600)	$ 637
Cash and Equivalents, Jan 1	2,321	2,321	1,684	1,684
Cash and Equivalents, Dec 31	$ 221	$ 424	$ 84	$ 2,321

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Flood Control Fund				National Forest Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	883,500	881,904	800,000	813,010	18,000	36,113	35,000	18,891
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	883,500	881,904	800,000	813,010	18,000	36,113	35,000	18,891
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	165,000	163,410	165,000	151,569	13,250	27,085	26,250	14,168
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	718,500	718,494	635,000	661,441	4,750	9,028	8,750	4,723
Total Disbursements	883,500	881,904	800,000	813,010	18,000	36,113	35,000	18,891
Receipts Over (Under) Disbursements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash and Equivalents, Jan 1	-	-	-	-	-	-	-	-
Cash and Equivalents, Dec 31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Assessment Fund				Law Enforcement Restitution Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	507,759	540,296	500,167	558,135	-	-	-	-
Charges for Services	-	-	-	-	25,000	20,164	25,000	19,576
Interest	-	1,763	-	1,099	-	-	-	-
Other Receipts	1,000	724	1,000	1,867	-	100	-	-
Transfers In	69,256	69,256	104,220	104,220	-	-	-	-
Total Receipts	578,015	612,039	605,387	665,321	25,000	20,264	25,000	19,576
Disbursements								
Salaries	394,063	368,498	384,451	370,093	-	-	-	-
Employee Fringe Benefits	127,468	109,395	122,813	119,273	-	-	-	-
Materials and Supplies	37,500	27,559	38,000	31,270	-	-	-	-
Services	19,200	16,213	28,700	28,853	-	-	-	-
Other Disbursements	6,000	5,245	7,000	5,590	71,000	52,150	62,000	10,789
Capital Outlay	59,000	45,977	75,300	53,564	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	643,231	572,887	656,264	608,643	71,000	52,150	62,000	10,789
Receipts Over (Under) Disbursements	$ (65,216)	$ 39,152	$ (50,877)	$ 56,678	$ (46,000)	$ (31,886)	$ (37,000)	$ 8,787
Cash and Equivalents, Jan 1	213,680	213,680	157,002	157,002	46,079	46,079	37,292	37,292
Cash and Equivalents, Dec 31	$ 148,464	$ 252,832	$ 106,125	$ 213,680	$ 79	$ 14,193	$ 292	$ 46,079

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Election Grant Fund				Law Enforcement Grant Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	6,000	5,878	10,000	-	5,700	25,182	20,000	3,017
Charges for Services	-	-	-	-	-	-	-	-
Interest	40	36	25	53	-	-	-	-
Other Receipts	100	3	100	14	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	6,140	5,917	10,125	67	5,700	25,182	20,000	3,017
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	5,700	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	12,100	-	21,900	5,878	2,200	18,877	18,500	240
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	12,100	-	21,900	5,878	7,900	18,877	18,500	240
Receipts Over (Under) Disbursements	$ (5,960)	$ 5,917	$ (11,775)	$ (5,811)	$ (2,200)	$ 6,305	$ 1,500	$ 2,777
Cash and Equivalents, Jan 1 (restated)	6,038	6,038	11,849	11,849	2,249	2,249	(528)	(528)
Cash and Equivalents, Dec 31	$ 78	$ 11,955	$ 74	$ 6,038	$ 49	$ 8,554	$ 972	$ 2,249

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The County of Stone
Galena, Missouri
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	Capital Improvement Fund				Emergency Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	750	548	75	833	4,545	6,942	2,700	5,769
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	200,000	200,000	175,000	175,000	-	-	200,000	200,000
Total Receipts	200,750	200,548	175,075	175,833	4,545	6,942	202,700	205,769
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	300,000	-	300,000	-
Capital Outlay	209,397	226,084	235,000	194,678	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	209,397	226,084	235,000	194,678	300,000	-	300,000	-
Receipts Over (Under) Disbursements	$ (8,647)	$ (25,536)	$ (59,925)	$ (18,845)	$ (295,455)	$ 6,942	$ (97,300)	$ 205,769
Cash and Equivalents, Jan 1	43,424	43,424	62,269	62,269	1,250,912	1,250,912	1,045,143	1,045,143
Cash and Equivalents, Dec 31	$ 34,777	$ 17,888	$ 2,344	$ 43,424	$ 955,457	$ 1,257,854	$ 947,843	$ 1,250,912

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The County of Stone
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	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,000	1,548	2,000	1,717	1,000	416	1,000	511
Interest	-	-	-	-	-	-	-	-
Other Receipts	1,000	767	1,000	878	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	5,000	2,315	3,000	2,595	1,000	416	1,000	511
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	6,200	2,586	4,600	2,915	950	931	2,500	2,063
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	6,200	2,586	4,600	2,915	950	931	2,500	2,063
Receipts Over (Under) Disbursements	$ (1,200)	$ (271)	$ (1,600)	$ (320)	$ 50	$ (515)	$ (1,500)	$ (1,552)
Cash and Equivalents, Jan 1	1,313	1,313	1,633	1,633	14	14	1,566	1,566
Cash and Equivalents, Dec 31	$ 113	$ 1,042	$ 33	$ 1,313	$ 64	$ (501)	$ 66	$ 14

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	Local Emergency Planning Committee Fund				Insurance Claims Proceeds Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,500	-	3,200	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	50,000	54,866	30,000	29,507
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	1,500	-	3,200	-	50,000	54,866	30,000	29,507
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	17,100	831	20,300	1,479	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	12,000	10,764	13,100	16,873
Capital Outlay	-	-	-	-	50,500	56,504	21,600	4,925
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	17,100	831	20,300	1,479	62,500	67,268	34,700	21,798
Receipts Over (Under) Disbursements	$ (15,600)	$ (831)	$ (17,100)	$ (1,479)	$ (12,500)	$ (12,402)	$ (4,700)	$ 7,709
Cash and Equivalents, Jan 1	15,642	15,642	17,121	17,121	12,528	12,528	4,819	4,819
Cash and Equivalents, Dec 31	$ 42	$ 14,811	$ 21	$ 15,642	$ 28	$ 126	$ 119	$ 12,528

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Galena, Missouri
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	Children's Trust Fund				Abuse Victims Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	800	850	800	805	4,750	4,674	4,750	5,051
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	800	850	800	805	4,750	4,674	4,750	5,051
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	800	-	1,000	1,145	4,500	-	6,500	6,858
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	800	-	1,000	1,145	4,500	-	6,500	6,858
Receipts Over (Under) Disbursements	$ -	$ 850	$ (200)	$ (340)	$ 250	$ 4,674	$ (1,750)	$ (1,807)
Cash and Equivalents, Jan 1	-	-	340	340	-	-	1,807	1,807
Cash and Equivalents, Dec 31	$ -	$ 850	$ 140	$ -	$ 250	$ 4,674	$ 57	$ -

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	Inmate Security Fund				Special Recorder Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,000	2,936	4,000	3,494	113,000	76,580	113,000	85,721
Interest	-	-	-	-	1,000	2,069	850	1,685
Other Receipts	45,000	59,357	40,000	52,895	-	-	200	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	49,000	62,293	44,000	56,389	114,000	78,649	114,050	87,406
Disbursements								
Salaries	-	-	-	-	29,120	18,037	29,640	24,456
Employee Fringe Benefits	-	-	-	-	2,300	1,380	2,220	1,871
Materials and Supplies	73,400	53,915	70,200	58,119	8,000	7,078	8,000	5,558
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	22,000	2,176	32,000	6,207
Capital Outlay	-	-	-	-	61,500	2,213	101,500	35,084
Transfers Out	-	-	-	-	20,000	-	-	-
Total Disbursements	73,400	53,915	70,200	58,119	142,920	30,884	173,360	73,176
Receipts Over (Under) Disbursements	$ (24,400)	$ 8,378	$ (26,200)	$ (1,730)	$ (28,920)	$ 47,765	$ (59,310)	$ 14,230
Cash and Equivalents, Jan 1	24,546	24,546	26,276	26,276	189,624	189,624	175,394	175,394
Cash and Equivalents, Dec 31	$ 146	$ 32,924	$ 76	$ 24,546	$ 160,704	$ 237,389	$ 116,084	$ 189,624

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	Special Recorder Capital Improvement Fund				Sheriff Revolving Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	10,000	11,363	70,000	9,336
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	20,000	-	-	-	-	-	-	-
Total Receipts	20,000	-	-	-	10,000	11,363	70,000	9,336
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	54,500	13,160	126,700	11,579
Capital Outlay	40,000	-	40,000	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	25,000	35,000
Total Disbursements	40,000	-	40,000	-	54,500	13,160	151,700	46,579
Receipts Over (Under) Disbursements	$ (20,000)	$ -	$ (40,000)	$ -	$ (44,500)	$ (1,797)	$ (81,700)	$ (37,243)
Cash and Equivalents, Jan 1	180,000	180,000	180,000	180,000	44,546	44,546	81,789	81,789
Cash and Equivalents, Dec 31	$ 160,000	$ 180,000	$ 140,000	$ 180,000	$ 46	$ 42,749	$ 89	$ 44,546

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	Election Services Fund				Senior Citizens Service Board Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ 289,806	$ 300,131	$ 281,140	$ 285,039
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	9,500	7,382	4,000	5,979	-	-	-	-
Interest	-	-	-	-	250	313	250	318
Other Receipts	-	-	-	-	-	5,153	-	2,243
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	9,500	7,382	4,000	5,979	290,056	305,597	281,390	287,600
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	34,100	6,118	26,700	4,104	2,500	1,301	3,300	1,078
Services	-	-	-	-	281,500	297,956	278,500	271,195
Other Disbursements	-	-	-	-	86,743	1,092	78,459	1,212
Capital Outlay	-	-	-	-	14,000	10,754	15,000	13,297
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	34,100	6,118	26,700	4,104	384,743	311,103	375,259	286,782
Receipts Over (Under) Disbursements	$ (24,600)	$ 1,264	$ (22,700)	$ 1,875	$ (94,687)	$ (5,506)	$ (93,869)	$ 818
Cash and Equivalents, Jan 1	24,669	24,669	22,794	22,794	144,687	144,687	143,869	143,869
Cash and Equivalents, Dec 31	$ 69	$ 25,933	$ 94	$ 24,669	$ 50,000	$ 139,181	$ 50,000	$ 144,687

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	Prosecuting Attorney Delinquent Tax Fund				Drug Abuse Resistance Education (D.A.R.E.) Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	6,000	4,742	9,000	5,793	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	15,500	19,443	17,600	18,007
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	6,000	4,742	9,000	5,793	15,500	19,443	17,600	18,007
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	24,900	11,329	30,000	20,986
Other Disbursements	12,400	2,300	16,400	6,269	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	12,400	2,300	16,400	6,269	24,900	11,329	30,000	20,986
Receipts Over (Under) Disbursements	$ (6,400)	$ 2,442	$ (7,400)	$ (476)	$ (9,400)	$ 8,114	$ (12,400)	$ (2,979)
Cash and Equivalents, Jan 1	7,006	7,006	7,482	7,482	9,427	9,427	12,406	12,406
Cash and Equivalents, Dec 31	$ 606	$ 9,448	$ 82	$ 7,006	$ 27	$ 17,541	$ 6	$ 9,427

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	Jail Prisoner Transport Fund				Reserve Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	40,000	27,410	30,000	43,571	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,000	1,569	800	1,424
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	40,000	27,410	30,000	43,571	1,000	1,569	800	1,424
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	9,000	12,650	73,500	25,959	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	100,000	57,192	300,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	9,000	12,650	73,500	25,959	100,000	57,192	300,000	-
Receipts Over (Under) Disbursements	$ 31,000	$ 14,760	$ (43,500)	$ 17,612	$ (99,000)	$ (55,623)	$ (299,200)	$ 1,424
Cash and Equivalents, Jan 1	61,397	61,397	43,785	43,785	303,954	303,954	302,530	302,530
Cash and Equivalents, Dec 31	$ 92,397	$ 76,157	$ 285	$ 61,397	$ 204,954	$ 248,331	$ 3,330	$ 303,954

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	Law Enforcement Civil Fees Fund				Prosecuting Attorney Bad Check Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	30,000	43,436	29,000	33,293	-	-	-	-
Charges for Services	-	-		-	6,500	7,650	9,000	6,841
Interest	-	-	-	-	30	22	15	48
Other Receipts	7,000	3,534	7,100	8,153	250	-	250	404
Transfers In	-	-	25,000	35,000	-	-	-	-
Total Receipts	37,000	46,970	61,100	76,446	6,780	7,672	9,265	7,293
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	59,000	18,613	69,200	15,698	13,600	10,289	18,500	9,467
Services	-	17,507	-	11,170	-	-	-	-
Other Disbursements	-	20,492	-	6,892	-	-	-	-
Capital Outlay	-	10,120	-	28,687	-	-	-	-
Transfers Out	-	-	25,000	25,000	-	-	-	-
Total Disbursements	59,000	66,732	94,200	87,447	13,600	10,289	18,500	9,467
Receipts Over (Under) Disbursements	$ (22,000)	$ (19,762)	$ (33,100)	$ (11,001)	$ (6,820)	$ (2,617)	$ (9,235)	$ (2,174)
Cash and Equivalents, Jan 1	22,194	22,194	33,195	33,195	7,106	7,106	9,280	9,280
Cash and Equivalents, Dec 31	$ 194	$ 2,432	$ 95	$ 22,194	$ 286	$ 4,489	$ 45	$ 7,106

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	Collector's Tax Maintenance Fund				Tax Maintenance Archive Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	40,000	49,461	40,000	40,135	-	-	-	-
Interest	30	132	30	44	-	-	-	-
Other Receipts	-	-	6,000	5,800	-	-	-	-
Transfers In	-	-	-	-	10,000	10,000	10,000	
Total Receipts	40,030	49,593	46,030	45,979	10,000	10,000	10,000	-
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	30,000	3,130	35,000	1,089	50,000	-	65,000	17,283
Services	-	8,102	-	12,330	-	-	-	-
Other Disbursements	-	13,364	-	26,073	-	-	-	-
Capital Outlay	-	3,641	-	-	-	-	-	-
Transfers Out	10,000	10,000	10,000	-	-	-	-	-
Total Disbursements	40,000	38,237	45,000	39,492	50,000	-	65,000	17,283
Receipts Over (Under) Disbursements	$ 30	$ 11,356	$ 1,030	$ 6,487	$ (40,000)	$ 10,000	$ (55,000)	$ (17,283)
Cash and Equivalents, Jan 1	10,205	10,205	3,718	3,718	49,622	49,622	66,905	66,905
Cash and Equivalents, Dec 31	$ 10,235	$ 21,561	$ 4,748	$ 10,205	$ 9,622	$ 59,622	$ 11,905	$ 49,622

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	Edgewater Neighborhood Improvement District Fund				Black Oak Neighborhood Improvement District Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ 111,000	$ 74,819	$ 111,000	$ 80,052	$ 85,000	$ 89,052	$ 85,000	$ 92,299
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	5	21	10	6	5	28	10	6
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	88,000	87,339	80,000	79,214	120,000	120,000	120,000	106,518
Total Receipts	199,005	162,179	191,010	159,272	205,005	209,080	205,010	198,823
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Debt Service	207,100	158,800	199,100	157,950	205,000	204,435	205,000	199,190
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	207,100	158,800	199,100	157,950	205,000	204,435	205,000	199,190
Receipts Over (Under) Disbursements	$ (8,095)	$ 3,379	$ (8,090)	$ 1,322	$ 5	$ 4,645	$ 10	$ (367)
Cash and Equivalents, Jan 1	9,468	9,468	8,146	8,146	1	1	368	368
Cash and Equivalents, Dec 31	$ 1,373	$ 12,847	$ 56	$ 9,468	$ 6	$ 4,646	$ 378	$ 1

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Federal Seized and Forfeiture Fund				Tax Increment Financing Fund			
	2018		2017		2018		2017	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	2	-	2	-	-	-	-
Other Receipts	-	-	-	-	137,000	136,612	114,500	103,771
Transfers In	-	-	-	-	206,000	204,918	150,000	148,643
Total Receipts	-	2	-	2	343,000	341,530	264,500	252,414
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	430	-	-	-	343,000	341,530	264,500	252,414
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	430	-	-	-	343,000	341,530	264,500	252,414
Receipts Over (Under) Disbursements	$ (430)	$ 2	$ -	$ 2	$ -	$ -	$ -	$ -
Cash and Equivalents, Jan 1	430	430	428	428	-	-	-	-
Cash and Equivalents, Dec 31	$ -	$ 432	$ 428	$ 430	$ -	$ -	$ -	$ -

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2018 & 2017

	Bond Development Fund			
	2018		2017	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	1,100,000	1,000,000	-	-
Transfers In	-	-	-	-
Total Receipts	1,100,000	1,000,000	-	-
Disbursements				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	1,100,000	305,000	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	1,100,000	305,000	-	-
Receipts Over (Under) Disbursements	$ -	$ 695,000	$ -	$ -
Cash and Equivalents, Jan 1	-	-	-	-
Cash and Equivalents, Dec 31	$ -	$ 695,000	$ -	$ -

See Notes to the Financial Statements

The County of Stone
Galena, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2018 & 2017

	2018				
	County Clerk	Collector	Recorder	Sheriff	Prosecuting Attorney
Assets					
Cash and Equivalents	$ 336	$ 5,501,682	$ 56,605	$ 108,368	$ 35
Total Assets	336	5,501,682	56,605	108,368	35
Liabilities and Fund Balances					
Total Liabilities	336	5,501,682	56,605	108,368	35
	336	5,501,682	56,605	108,368	35
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	$ 336	$ 5,501,682	$ 56,605	$ 108,368	$ 35

	Planning & Zoning	Public Administrator	Treasurer	Total
Assets				
Cash and Equivalents	$ 24,508	$ 1	$ 1,271,756	$ 6,963,291
Total Assets	24,508	1	1,271,756	6,963,291
Liabilities and Fund Balances				
Total Liabilities	24,508	1	1,271,756	6,963,291
	24,508	1	1,271,756	6,963,291
Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	$ 24,508	$ 1	$ 1,271,756	$ 6,963,291

	2017				
	County Clerk	Collector	Recorder	Sheriff	Prosecuting Attorney
Assets					
Cash and Equivalents	$ 356	$ 2,084,296	$ 49,096	$ 115,041	$ 18
Total Assets	356	2,084,296	49,096	115,041	18
Liabilities and Fund Balances					
Total Liabilities	356	2,084,296	49,096	115,041	18
	356	2,084,296	49,096	115,041	18
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	$ 356	$ 2,084,296	$ 49,096	$ 115,041	$ 18

	Planning & Zoning	Public Administrator	Treasurer	Total
Assets				
Cash and Equivalents	$ 23,879	$ 349	$ 1,076,883	$ 3,349,918
Total Assets	23,879	349	1,076,883	3,349,918
Liabilities and Fund Balances				
Total Liabilities	23,879	349	1,076,883	3,349,918
	23,879	349	1,076,883	3,349,918
Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	$ 23,879	$ 349	$ 1,076,883	$ 3,349,918

See Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

Organized in 1851, the county of Stone was named after pioneer judge William Stone. It is a third-class county, and the county seat is Galena. Stone County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Stone County, Missouri and the Stone County Senior Citizens Service Board.

Stone County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Stone County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Stone County's legal entity. The Stone County Senior Citizens Service Board is controlled by a separate board and is also included under the control of Stone County.

The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Stone County Senate Bill 40 Board has issued separate reporting entity financial statements. For information on this component unit, please contact the Senate Bill 40 Board at (417) 272-0444 or write to P.O. Box 2383, Branson West, MO 65737.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Stone County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the County's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Stone County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Stone County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2018: National Forest Fund, Law Enforcement Grant Fund, Capital Improvement Fund, Insurance Claims Proceeds Fund, Jail Prisoner Transport Fund, and Law Enforcement Civil Fees Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Flood Control Fund, Children's Trust Fund, and Abuse Victims Fund. The following fund had a negative fund balance as of December 31, 2018: Prosecuting Attorney Training Fund.

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Stone County's boundaries for the calendar year 2018 and 2017, respectively, for the purposes of County taxation was as follows:

	2018	2017
Real Estate	$ 481,199,286	$ 471,760,794
Personal Property	137,164,949	130,632,935
Railroad and Utilities	11,291,535	12,599,147
	$ 629,655,770	$ 614,992,876

The tax levy per $100 assessed valuation of tangible taxable property for the calendar year 2018 and 2017, respectively, for the purpose of County taxation, was as follows:

	2018	2017
General Revenue	$ 0.0971	$ 0.1052
Senior Citizens Service Board	0.0482	0.0482

The County also receives sales tax collected by the State and remitted based on the County’s sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Stone County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Stone County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents". Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2018, as follows:

	Carrying Value	Bank Balances
Deposits	$ 12,628,331	$ 25,009,834
Investments	50,000	50,000
Total Deposits and Investments as of December 31, 2018	$ 12,678,331	$ 25,059,834
Total Cash and Equivalents - Governmental Funds	$ 5,715,040	
Total Cash and Equivalents - Agency Funds	6,963,291	
	$ 12,678,331	

The bank balances and carrying values of deposits and investments shown below are included in the financial statements at December 31, 2017, as follows:

	Carrying Value	Bank Balances
Deposits	$ 8,405,310	$ 23,630,012
Investments	50,000	50,000
Total Deposits and Investments as of December 31, 2017	$ 8,455,310	$ 23,680,012
Total Cash and Equivalents - Governmental Funds	$ 5,105,392	
Total Cash and Equivalents - Agency Funds	3,349,918	
	$ 8,455,310	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2018 and 2017, 100% of Stone County's deposits and investments were covered by the Federal Deposit Insurance Company (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Stone County or its agent but not in the government's name. Stone County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Stone County or of a type that are not exposed to custodial credit risk.

Note 2 - Deposits and Investments (continued)

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Stone County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Stone County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). Stone County has no policy in place to minimize the risk of loss resulting from over concentration of assets of a specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2018 Balance	% of Portfolio	2017 Balance	% of Portfolio
Simmons Bank	Cert. of Deposit	$ 50,000	100%	$ 50,000	100%

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2018 and 2017 are as follows:

	2018		2017	
Fund	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	$ -	$ 643,207	$ 25,000	$ 789,047
Special Road and Bridge	727,522	88,306	666,164	49,548
Road and Bridge Capital Improvement	50,000	-	25,000	-
Flood Control	-	718,494	-	661,441
National Forest	-	9,028	-	4,723
Assessment	69,256	-	104,220	-
Capital Improvement	200,000	-	175,000	-
Emergency	-	-	200,000	-
Sheriff Revolving	-	-	-	35,000
Law Enforcement Civil Fees	-	-	35,000	25,000
Collector's Tax Maintenance	-	10,000	-	-
Tax Maintenance Archive	10,000	-	-	-
Edgewater Neighborhood Improv. District	87,339	-	79,214	-
Black Oak Neighborhood Improv. District	120,000	-	106,518	-
Tax Increment Financing	204,918	-	148,643	-
Total	$ 1,469,035	$ 1,469,035	$ 1,564,759	$ 1,564,759

Note 4 - Long-Term Debt

Certificates of Participation

In 2009, Stone County issued $3,690,000 in Refunding Certificates of Participation (COP's) for the purpose of refinancing the Stone County, Missouri Refunding Certificates of Participation Series 1998 for the amount of $2,155,000 and the Stone County, Missouri Black Oak Mountain Resort Phase I Neighborhood Improvement District Bonds Series 2000 for the amount of $1,710,000. Principal payments are due annually on December 1; interest is payable semi-annually on June 1 and December 1 with annual variable interest rates at 3.00% - 4.10%. These Certificates were refunded in 2018.

In 2018, Stone County issued $5,760,000 in Refunding and Improvement Certificates of Participation (COP's) for the purpose of refunding the 2009 Refunding Certificates of Participation and paying the costs of construction and equipping new additions to the County's existing Stone County Justice Center. Principal payments are due annually on December 1; interest is payable semi-annually on June 1 and December 1 with annual variable interest rates at 3.00% - 3.50%.

Balance at 12/13/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
$ 1,465,000	$ 5,760,000	$ (1,465,000)	$ 5,760,000	$ -	$ (185,000)	$ 5,575,000

Interest expense for the years ended December 31, 2018 and 2017 was $110,617 and $58,790, respectively.

Future minimum payments due on the Series 2018 Refunding and Improvement Certificates of Participation are as follows:

Year	Principal	Interest	Total
2019	$ 380,000	$ 178,404	$ 558,404
2020	390,000	167,004	557,004
2021	205,000	155,304	360,304
2022	210,000	149,154	359,154
2023	215,000	142,854	357,854
2024-2028	1,180,000	613,469	1,793,469
2029-2033	1,375,000	420,537	1,795,537
2034-2038	1,620,000	173,485	1,793,485
	$ 5,575,000	$ 2,000,211	$ 7,575,211

Principal payments made on the Refunding and Improvement Certificates of Participation are made from the General Fund and the Black Oak Neighborhood Improvement District Fund.

Limited General Obligation Bonds

In 2012, the County issued $1,115,000 in Limited General Obligation Bonds for the purpose of refinancing the Edgewater Village Neighborhood Improvement District Bonds Series 2000. Principal payments are due annually on September 1; interest payments are due semi-annually on March 1 and September 1 with annual variable interest rates at 2.00% - 3.00%.

Balance at 12/31/16	Amount Borrowed	Amount Repaid	Balance at 12/31/17	Amount Borrowed	Amount Repaid	Balance at 12/31/18
$ 585,000	$ -	$ (140,000)	$ 445,000	$ -	$ (145,000)	$ 300,000

Interest expense for the years ended December 31, 2018 and 2017 was $17,550 and $13,350, respectively.

Note 4 - Long-Term Debt (continued)

Limited General Obligation Bonds (continued)

Future minimum payments due on the Edgewater Village Neighborhood Improvement District Bonds are as follows:

Year	Principal	Interest	Total
2019	$ 150,000	$ 9,000	$ 159,000
2020	150,000	4,500	154,500
	$ 300,000	$ 13,500	$ 313,500

Principal payments made on the Edgewater Village Neighborhood Improvement District Bonds are made from the Edgewater Neighborhood Improvement District Fund.

Note 5 - County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Note 5 - County Employees' Retirement Fund (CERF) (continued)

Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. The County collected and remitted CERF employee contributions of $227,619 and $238,095 for the years ended December 31, 2018 and 2017, respectively.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations,
- Twenty dollars on each merchants and manufacturers license issued,
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one on each document recorded,
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of $312,760 and $257,110 for the years ended December 31, 2018 and 2017, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807 RSMo, Stone County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. Stone County has contributed $11,628 and $11,628, respectively, for the years ended December 31, 2018 and 2017.

Note 7 - Other Retirement Plan

Stone County have voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which is paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 457 plan were $142,650 and $135,528, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2018 and 2017 for the 401(a) plan were $34,452 and $33,702, respectively.

Note 8 - Post-Employment Benefits

Stone County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Stone County.

Note 9 - Claims, Commitments and Contingencies

Litigation

The County is subject to various claims and legal proceeding covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with up to 200 hours (25 days) of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward a maximum of 320 hours (40 days). Accumulated sick leave is not paid out upon termination of employment. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Other Commitments

Part of the County's taxing district contains a redevelopment area subject to a tax increment financing (TIF) plan where the County must remit certain economic activity taxes to a local business for the purpose of reimbursing certain costs of development. The County is committed to remitting these taxes through the year ended December 31, 2030; future amounts are based on overall taxes collected for the redeveloped area and cannot be estimated. Payments remitted for the years ended December 31, 2018 and 2017 totaled $204,918 and $148,643. Additionally, the County collected and remitted $136,612 and $103,771 for the years ended December 31, 2018 and 2017, respectively, on behalf of another agency included in the TIF plan.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 11 - Economic Concentrations

Approximately 31.91% and 32.44% of the County's sales tax revenues received was remitted by two taxpayers located in the County, for the years ended December 31, 2018 and 2017, respectively. Any material reduction in sales tax could result in a significant impact to the County's operations.

Note 12 - Subsequent Events

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 9, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occured that require recognition or additional disclosure in the financial statements.

Note 13 - Prior Period Adjustment

Beginning cash and equivalents has been restated due to the correction of an error. This adjustment has no material effect on the operations of the County.

Cash and Equivalents, January 1, 2017, as previously stated:	$ 5,337,551
Law Enforcement Grant Fund	450
Cash and Equivalents, January 1, 2017, as restated:	$ 5,338,001

Stopp&VanHoy
CPAs and Business Advisors

10425 Old Olive Street Road, Suite 101
Creve Coeur, MO 63141

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Stone County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Stone County, Missouri as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Stone County, Missouri's basic financial statements, and have issued our report thereon dated July 9, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stone County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stone County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Stone County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as items 2018-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stone County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of findings and questioned costs as items 2018-001.

Stone County, Missouri's Response to Findings

Stone County, Missouri's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Stone County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Creve Coeur, Missouri
July 9, 2019

Stopp&VanHoy
CPAs and Business Advisors

10425 Old Olive Street Road, Suite 101
Creve Coeur, MO 63141

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Stone County, Missouri

Report on Compliance for the Major Federal Program

We have audited Stone County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Stone County, Missouri's major federal program for the years ended December 31, 2018 and 2017. Stone County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Stone County, Missouri's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about Stone County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Stone County, Missouri's compliance.

Opinion on the Major Federal Program

In our opinion, Stone County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the years ended December 31, 2018 and 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2018-003. Our opinion on the major federal program is not modified with respect to this matter.

Stone County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Stone County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Stone County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stone County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Stone County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-003*,* that we consider to be a significant deficiency.

Stone County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Stone County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Creve Coeur, Missouri
July 9, 2019

The County of Stone
Galena, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2018 & 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31, 2018	Federal Expenditures Year Ended December 31, 2017	Awards Provided to Subrecipients Year Ended December 31, 2018	Awards Provided to Subrecipients Year Ended December 31, 2017
U.S. Department of Agriculture						
Forest Service Schools and Roads Cluster						
Passed through state:						
Office of Administration -						
Schools and Roads - Grants to States	10.665	n/a	$ 36,113	$ 18,891	$ 27,085	$ 14,168
Total Forest Service Schools and Roads Cluster			36,113	18,891	27,085	14,168
Total U.S. Department of Agriculture			36,113	18,891	27,085	14,168
U.S. Department of Defense						
Passed through state:						
Office of Administration -						
Payments to States in Lieu of Real Estate Taxes	12.112	n/a	881,904	813,010	163,410	151,569
U.S. Department of the Interior						
Direct Program:						
Payments in Lieu of Taxes	15.226	n/a	130,909	126,136	-	-
U.S. Department of Justice						
Passed through state:						
Department of Public Safety -						
Violence Against Women Formula Grants	16.588	2012-VAWA-005-OS	-	34,751	-	-
Violence Against Women Formula Grants	16.588	2018-VAWA-55	18,648	-	-	-
Total Violence Against Women Formula Grants			18,648	34,751	-	-
Crime Victim Assistance	16.575	2016-VOCA-115-MO	-	26,774	-	-
Crime Victim Assistance	16.575	ER130180073	81,385	6,443	-	-
Total Crime Victim Assistance			81,385	33,217		
Direct Program:						
Bulletproof Vest Partnership Program	16.607	n/a	5,682	-	-	-
Total U.S. Department of Justice			105,715	67,968	-	-

See Notes to the Schedule of Expenditures of Federal Awards

The County of Stone
Galena, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2018 & 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31, 2018	Federal Expenditures Year Ended December 31, 2017	Awards Provided to Subrecipients Year Ended December 31, 2018	Awards Provided to Subrecipients Year Ended December 31, 2017
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Passed through state:						
Missouri Highways and Transportation Commission -						
Highway Planning and Construction	20.205	BRO-B104(8)	-	53,585	-	-
Total Highway Planning and Construction Cluster			-	53,585	-	-
Highway Safety Cluster						
Passed through state:						
Missouri Highways and Transportation Commission -						
State & Community Highway Safety	20.600	17-PT-02-120	-	4,011	-	-
State & Community Highway Safety	20.600	18-PT-02-120	5,673	-	-	-
Total Highway Safety Cluster			5,673	4,011	-	-
Alcohol Open Container Requirements	20.607	17-154-AL-140	-	5,173	-	-
Alcohol Open Container Requirements	20.607	18-154-AL-152	7,456	-	-	-
			7,456	5,173	-	-
Total U.S. Department of Transportation			13,129	62,769	-	-
U.S. Department of Homeland Security						
Passed through state:						
Missouri Emergency Management Agency						
Emergency Management Performance Grant	97.042	EMK-2017-EP-APP-00006-109	-	10,064	-	-
Emergency Management Performance Grant	97.042	EMK-2018-EP-00003-099	9,420	-	-	-
			9,420	10,064	-	-
Presidentially Declared Disasters	97.036	FEMA-4317-DR-MO	27,971	133,244	-	-
			27,971	133,244	-	-
Total U.S. Department of Homeland Security			37,391	143,308	-	-
Total Expenditures of Federal Awards			$ 1,205,161	$ 1,232,082	$ 190,495	$ 165,737

See Notes to the Schedule of Expenditures of Federal Awards

The County of Stone
Galena, Missouri
Notes to Schedule of Expenditures of Federal Awards
For the years ended December 31, 2018 & 2017

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Stone County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of the operations of Stone County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Stone County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Stone County, Missouri has not elected to use the 10% de minimis indirect cost rate.

Note 2 - Subrecipients

During the years ended December 31, 2018 and 2017, the County provided $190,495 and $165,737 in federal awards to subrecipients.

The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2018 & 2017

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified Regulatory Basis			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiencies identified that are not considered to be material weaknesses?	X	Yes		None Reported
Any noncompliance material to financial statements noted?	X	Yes		No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiencies identified not considered to be material weaknesses?	X	Yes		None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)?	X	Yes		No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
12.112	Payments to States in Lieu of Real Estate Taxes

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		Yes	X	No

The County of Stone
Galena, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2018 & 2017

Section 2 - Financial Statement Findings

2018-001 **Condition:** During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2018: National Forest Fund, Law Enforcement Grant Fund, Capital Improvement Fund, Insurance Claims Proceeds Fund, Jail Prisoner Transport Fund, and Law Enforcement Civil Fees Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2017: Flood Control Fund, Children's Trust Fund, and Abuse Victims Fund. The following fund had a negative fund balance as of December 31, 2018: Prosecuting Attorney Training Fund.

Effect: Due to exceeding budget in certain funds and having a negative fund balance in a certain fund, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Criteria: Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should closely monitor fund balances on an ongoing basis in order to prevent negative fund balances.

Management's Response: The following are 'in and out' funds that are dependent on the amount of funds actually received. At the time each annual budget is created, the County has no way to anticipate the amount of funds that will be received into each fund.
• National Forest Fund.
• Insurance Claims Proceeds Fund
• Jail Prisoner Transport Fund.
• Flood Control Fund
• Children's Trust Fund
• Abuse Victims Fund

Law Enforcement Grant Fund - The County makes a grant application before the budget is approved. At budget time cannot anticipate the amount of the grant request that will be approved.

Capital Improvement Fund - The budgeted amount was exceeded to pay for an audit that was necessary to secure funding for the 2019 Judicial Center expansion project. The County could anticipate neither the necessity for the expenditure, nor the amount.

Law Enforcement Civil Fees Fund - This is a non-budgetary fund maintained and controlled by the Sheriff. The County Commission and the other county officers have no control over this fund.

2018-002 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Section 2 - Financial Statement Findings (continued)

2018-002 (cont.)

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: On May 29, 2018 the County Commission considered fraud risk assessment. The department heads were to review the procedures and make proposals or recommendations at the department heads' meeting on June 19, 2018. This was not done. On April 18, 2019 the County Commission adopted a *Risk Assessment, Accounting Policies, and Internal Control Procedures Policy*. The matter will be brought up at the department heads' meeting to be held on August 20, 2019.

Section 3 - Federal Award Findings and Questioned Costs

2018-003

Federal Grantor:	All Programs
Pass-Through Grantor:	All Programs
Federal CFDA Number:	All Programs
Program Title:	All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting. This finding is a repeat finding and was reported in the previous audit as Finding 16/15-003.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of pass-through entity.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: County officers and employees have diligently tried to maintain sufficient records so that the SEFA can be accurately completed. The County is going to consider retaining an expert/consultant to assist in completing the next SEFA.

The County of Stone
Galena, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2018 & 2017

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Stone County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2016 & 2015.

Prior Year Financial Statement Findings

16/15-001 **Condition:** During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following funds had actual expenditures that exceeded the budgeted expenditures in 2016: Insurance Claims Proceeds Fund and Collector's Tax Maintenance Fund. The following funds had actual expenditures that exceeded the budgeted expenditures in 2015: Election Grant Fund and Collector's Tax Maintenance Fund. The following funds did not have a prepared budget for 2015: Flood Control Fund, National Forest Fund, and Federal Seized and Forfeiture Fund. We noted the following funds had budgeted a deficit in 2016 and 2015: Law Enforcement Grant Fund.

Effect: Due to exceeding budget in certain funds, lack of budget in certain funds, and deficit budget in certain funds, the County is in violation of Missouri Revised Statutes.

Cause: Oversight

Criteria: Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit.

Recommendation: We recommend that the County adopt a budget for all funds, and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The Insurance Claims Proceeds is a fund that deals with unforeseen revenues and expenditures. The County will be diligent in trying to budget appropriately in the future. The Collector Tax Maintenance Fund is not under budgetary control of the Commission. The County now prepares budgets for all funds. The phone number for the Clerk's office is (417) 357-6127.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2018-001 in the current year.

16/15-002 **Condition:** During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Prior Year Financial Statement Findings (continued)

16/15-002 (cont.) **Recommendation:** We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County adopted a risk assessment policy on April 2, 2015. The Elected Officials and Department heads will meet annually to review and amend if necessary starting in 2018. The Clerk's office can be reached at (417) 357-6127.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2018-002 in the current year.

Prior Year Federal Award Findings and Questioned Cost

16/15-003

Federal Grantor:	All Programs
Pass-Through Grantor:	All Programs
Federal CFDA Number:	All Programs
Program Title:	All Programs

Condition: The Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, CFDA title and number, award number, name of the Federal agency, and name of pass-through entity.

Recommendation: We recommend management develop internal controls over reporting and consult with outside accountants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: The County Clerk is working towards capturing all grant transactions in a manner sufficient to report the necessary information required on the SEFA by the next audit period. The County Clerk's office phone number is (417) 357-6127.

Status: Management has not corrected this issue, therefore, this finding is repeated as 2018-003 in the current year.

Cindy Elmore ~ Stone County Clerk

108 East 4th Street | P.O. Box 45 | Galena, MO 65656
email: scocelmore@gmail.com | 417.357.6127 | fax 417.357.6861

Stone County, Missouri
Corrective Action Plan

Corrective Action Plan – 2018-001

Finding: During our audit, we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo.

Contact Person Responsible for Corrective Action: Stone County Clerk

Corrective Action Planned: The following are 'in and out' funds that are dependent on the amount of funds actually received. At the time each annual budget is created, the County has no way to anticipate the amount of funds that will be received into each fund.

- National Forest Fund.
- Insurance Claims Proceeds Fund
- Jail Prisoner Transport Fund.
- Flood Control Fund
- Children's Trust Fund
- Abuse Victims Fund

Law Enforcement Grant Fund - The County makes a grant application before the budget is approved. At budget time cannot anticipate the amount of the grant request that will be approved.

Capital Improvement Fund - The budgeted amount was exceeded to pay for an audit that was necessary to secure funding for the 2019 Judicial Center expansion project. The County could anticipate neither the necessity for the expenditure, nor the amount.

Law Enforcement Civil Fees Fund - This is a non-budgetary fund maintained and controlled by the Sheriff. The County Commission and the other county officers have no control over this fund.

Anticipated Completion Date: December 31, 2019

Cindy Elmore ~ Stone County Clerk

108 East 4th Street | P.O. Box 45 | Galena, MO 65656
email: scocelmore@gmail.com | 417.357.6127 | fax 417.357.6861

Corrective Action Plan – 2018-002

Finding: During our audit, we noted there is no formal fraud risk assessment in place.

Contact Person Responsible for Corrective Action: Stone, County Clerk

Corrective Action Planned: On May 29, 2018 the County Commission considered fraud risk assessment. The department heads were to review the procedures and make proposals or recommendations at the department heads' meeting on June 19, 2018. This was not done. On April 18, 2019 the County Commission adopted a Risk Assessment, Accounting Policies, and Internal Control Procedures Policy. The matter will be brought up at the department heads' meeting to be held on August 20, 2019.

Anticipated Completion Date: December 31, 2019

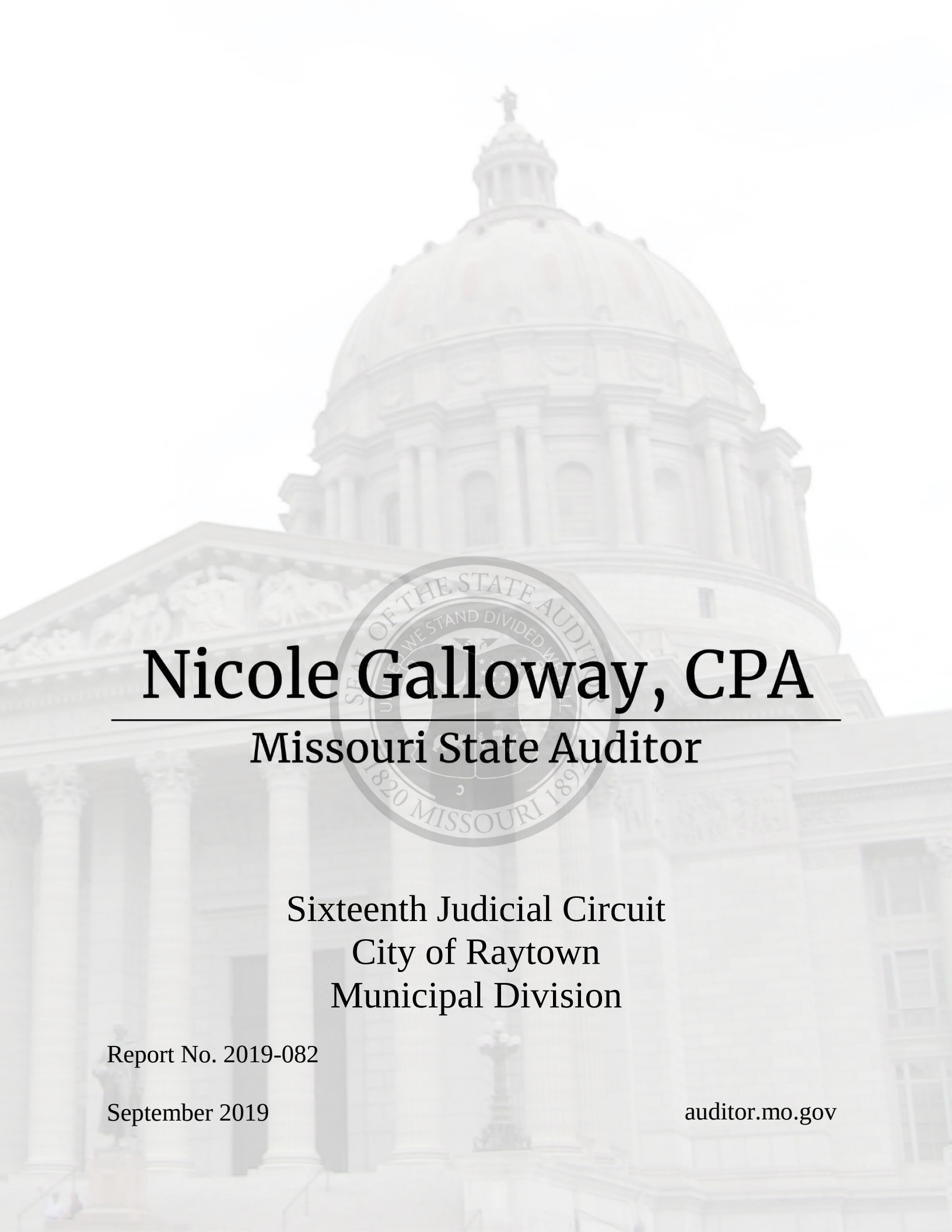
Corrective Action Plan – 2018-003

Finding: The Schedule of Expenditures of Federal Awards (SEFA) contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting.

Contact Person Responsible for Corrective Action: Stone County Clerk

Corrective Action Planned: County officers and employees have diligently tried to maintain sufficient records so that the SEFA can be accurately completed. The County is going to consider retaining an expert/consultant to assist in completing the next SEFA.

Anticipated Completion Date: December 31, 2019



Nicole Galloway, CPA

Missouri State Auditor

Sixteenth Judicial Circuit
City of Raytown
Municipal Division

Report No. 2019-082

September 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Sixteenth Judicial Circuit, City of Raytown Municipal Division

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, no significant noncompliance with court rules, and no noncompliance with state laws restricting the amount of certain court revenues that may be retained. No findings resulted from the audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Sixteenth Judicial Circuit
City of Raytown Municipal Division
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Sixteenth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Raytown, Missouri

We have audited certain operations of the City of Raytown Municipal Division of the Sixteenth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended October 31, 2018. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's and city's compliance with certain legal provisions.

3. Evaluate the municipal division's compliance with certain court rules.

4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

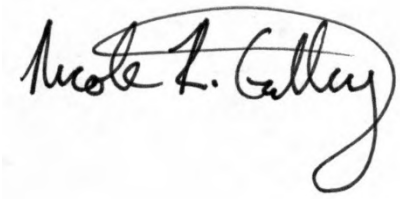
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) no significant noncompliance with court rules, and (4) no noncompliance with state laws restricting the amount of certain court revenues that may be retained. No findings resulted from our audit of the City of Raytown Municipal Division of the Sixteenth Judicial Circuit.

A petition audit of the City of Raytown, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any findings and recommendations will be included in the subsequent report.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
	Alex Bruner, MBA, CFE
Audit Staff:	Amanda G. Flanigan, MAcc

Sixteenth Judicial Circuit
City of Raytown Municipal Division
Organization and Statistical Information

The City of Raytown Municipal Division is in the Sixteenth Judicial Circuit, which consists of Jackson County. The Honorable David M. Byrn serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize the Office of State Court Administrator's statewide automated case management system known as JIS. Instead, the municipal division utilizes Incode, an automated case management system provided by Tyler Technologies, which has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At October 31, 2018, the municipal division employees were as follows:

Title	Name
Municipal Judge	Traci Fann
Court Administrator	Rhonda Wooderson
Prosecuting Attorney	Ross Nigro
Court Clerk	Lamonica Adkins
Court Clerk	Melody Schaefer

Financial and Caseload Information

	Year Ended October 31, 2018
Receipts	$435,752
Number of cases filed	2,376

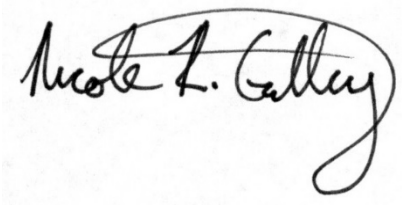
Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	$ 11.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	2.00
Sheriff's Retirement	3.00
Judicial Education	1.00
Inmate Security (Biometric Verification)	2.00

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ralls County, Missouri

The Office of the State Auditor contracted for an audit of Ralls County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-081

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Ralls County

2018-001	The County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2018-002	The County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2018-003	The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.
2018-004	The Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.
2018-005	The Collector’s office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.
2018-006	The County periodically review all account balances to ensure they are fully secured.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Ralls, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Ralls (County), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2019, on our consideration of the County of Ralls' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Ralls' internal control over financial reporting and compliance.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 1, 2019

FINANCIAL STATEMENTS

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT DECEMBER 31, 2018
General Revenue Fund	$ 291,035.63	$ 2,464,318.90	$ 2,567,480.99	$ 187,873.54
Special Road and Bridge Fund	662,385.48	2,322,392.61	2,579,006.83	405,771.26
Capital Improvement Fund	1,289,317.81	27,876.10	86,514.11	1,230,679.80
Assessment Fund	120,864.16	269,316.29	296,566.18	93,614.27
Election Services Fund	7,321.21	2,484.82	899.40	8,906.63
Prosecuting Attorney Training Fund	12,058.15	1,004.45	500.00	12,562.60
Prosecuting Attorney Tax Fund	4,023.62	91.11	-	4,114.73
Prosecuting Attorney Administrative Fund	9,711.53	1,590.10	1,131.00	10,170.63
Recorder's Users Fund	89,332.32	5,948.03	-	95,280.35
Domestic Fund	267.96	490.15	501.21	256.90
Inmate Security Fund	2,204.88	17,900.03	18,750.53	1,354.38
Sheriff's Fund	21,695.63	9,657.10	2,864.38	28,488.35
Recorder's Tech Fund	6,065.69	2,267.02	574.48	7,758.23
LEPC Fund	-	7,360.91	7,360.91	-
Tax Maintenance Fund	25,112.25	14,878.71	7,105.81	32,885.15
Sheriff's Revolving Fund	14,121.65	2,666.47	5,667.31	11,120.81
Law Enforcement Training Fund	9,489.38	4,429.77	7,311.74	6,607.41
Emergency Fund	496,667.71	7,470.09	76,759.49	427,378.31
Drug Enforcement Fund	101.47	0.13	101.60	-
County Law Enforcement Restitution Fund	16,044.19	2,584.48	-	18,628.67
TOTAL	$ 3,077,820.72	$ 5,164,727.27	$ 5,659,095.97	$ 2,583,452.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENT JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH AND INVESTMENT DECEMBER 31, 2017
General Revenue Fund	$ 133,778.95	$ 2,331,738.07	$ 2,174,481.39	$ 291,035.63
Special Road and Bridge Fund	285,155.82	2,710,570.22	2,333,340.56	662,385.48
Capital Improvement Fund	1,296,153.99	21,400.51	28,236.69	1,289,317.81
Assessment Fund	211,493.80	258,499.23	349,128.87	120,864.16
Election Services Fund	5,416.35	2,804.26	899.40	7,321.21
Prosecuting Attorney Training Fund	11,599.54	858.61	400.00	12,058.15
Prosecuting Attorney Tax Fund	3,990.24	33.38	-	4,023.62
Prosecuting Attorney Administrative Fund	9,722.37	1,036.86	1,047.70	9,711.53
Recorder's Users Fund	84,035.16	5,297.16	-	89,332.32
Domestic Fund	401.33	514.51	647.88	267.96
Inmate Security Fund	4,349.14	8,539.06	10,683.32	2,204.88
Sheriff's Fund	18,509.90	8,742.72	5,556.99	21,695.63
Recorder's Tech Fund	12,523.25	2,558.64	9,016.20	6,065.69
LEPC Fund	-	-	-	-
Tax Maintenance Fund	16,584.49	17,130.22	8,602.46	25,112.25
Sheriff's Revolving Fund	25,069.38	4,174.57	15,122.30	14,121.65
Law Enforcement Training Fund	6,692.92	4,254.62	1,458.16	9,489.38
Emergency Fund	428,388.64	69,318.92	1,039.85	496,667.71
Drug Enforcement Fund	100.54	0.93	-	101.47
County Law Enforcement Restitution Fund	-	16,044.19	-	16,044.19
TOTAL	$ 2,553,965.81	$ 5,463,516.68	$ 4,939,661.77	$ 3,077,820.72

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 710,000.00	$ 767,165.80	$ 664,370.00	$ 689,153.49
Sales Taxes	1,055,000.00	1,062,273.34	1,007,304.95	1,056,312.11
Intergovernmental	185,669.50	119,077.62	299,400.00	93,683.67
Charges for Services	475,075.00	424,664.42	255,600.00	486,302.89
Interest	12,000.00	12,210.74	2,620.00	4,397.82
Other	-	-	-	-
Transfers In	78,259.49	78,926.98	-	1,888.09
TOTAL RECEIPTS	2,516,003.99	2,464,318.90	2,229,294.95	2,331,738.07
DISBURSEMENTS				
County Commission	88,011.70	87,566.08	86,270.00	86,100.17
County Clerk	79,306.76	78,556.55	77,508.00	76,400.74
Elections	113,584.00	91,536.01	78,020.00	68,609.07
Buildings and Grounds	98,065.02	90,818.01	100,107.65	88,981.72
Employee Fringe Benefits	331,450.00	343,523.78	299,450.00	281,317.19
County Treasurer	44,465.00	44,100.04	44,050.00	43,613.74
Collector	88,577.43	87,321.47	84,271.04	84,937.21
Circuit Clerk	60,839.50	54,835.44	57,892.00	55,122.45
Court Administration	13,900.00	10,152.89	13,900.00	12,036.89
Public Administrator	48,290.00	47,115.92	47,875.00	46,633.44
Sheriff	959,032.63	939,152.48	617,884.00	633,956.85
Jail	270,000.00	219,719.38	280,000.00	222,182.30
Prosecuting Attorney	186,556.00	183,947.63	184,884.00	179,927.36
Juvenile Officer	73,282.23	47,617.10	57,523.93	31,336.22
Coroner	19,720.00	18,228.68	27,800.00	23,483.95
Planning and Zoning	8,230.00	3,415.90	5,200.00	3,353.84
Insurance	65,000.00	64,393.16	49,000.00	52,981.20
University Extension Service	58,250.00	58,250.00	55,500.00	55,500.00
Other	61,000.00	69,987.48	78,900.00	57,049.52
Economic Development	32,500.00	26,193.95	20,500.00	5,957.53
Health and Welfare	200.00	200.00	200.00	-
Transfers Out	4,000.00	849.04	4,000.00	-
Transfer To Emergency Fund	74,017.77	-	65,000.00	65,000.00
TOTAL DISBURSEMENTS	2,778,278.04	2,567,480.99	2,335,735.62	2,174,481.39
RECEIPTS OVER (UNDER) DISBURSEMENTS	(262,274.05)	(103,162.09)	(106,440.67)	157,256.68
CASH AND INVESTMENT BALANCES, JANUARY 1	291,035.63	291,035.63	133,778.95	133,778.95
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 28,761.58	$ 187,873.54	$ 27,338.28	$ 291,035.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 662,000.00	$ 708,093.83	$ 656,000.00	$ 642,556.48
Sales Taxes	720,000.00	814,373.09	691,278.80	781,961.87
Intergovernmental	702,275.00	786,022.29	947,180.58	1,280,064.27
Charges for Services	3,515.00	12,684.18	610.00	4,925.55
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	1,000.00	1,219.22	-	1,062.05
TOTAL RECEIPTS	2,088,790.00	2,322,392.61	2,295,069.38	2,710,570.22
DISBURSEMENTS				
Salaries	510,000.00	496,396.50	480,000.00	477,046.82
Employee Fringe Benefits	284,000.00	245,557.24	248,000.00	209,667.03
Supplies	433,000.00	362,379.29	378,000.00	340,847.50
Insurance	58,000.00	45,263.40	43,000.00	36,918.14
Road and Bridge Materials	787,500.00	633,635.50	684,500.00	753,666.12
Equipment Repairs	85,000.00	98,951.44	50,000.00	91,311.20
Rentals	2,000.00	-	2,000.00	-
Equipment Purchases	425,020.00	490,994.55	190,010.00	97,892.14
Road and Bridge Construction	256,000.00	205,828.91	492,000.00	325,991.61
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	2,840,520.00	2,579,006.83	2,567,510.00	2,333,340.56
RECEIPTS OVER (UNDER) DISBURSEMENTS	(751,730.00)	(256,614.22)	(272,440.62)	377,229.66
CASH AND INVESTMENT BALANCES, JANUARY 1	662,385.48	662,385.48	285,155.82	285,155.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ (89,344.52)	$ 405,771.26	$ 12,715.20	$ 662,385.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	CAPITAL IMPROVEMENT FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	250.00	8,512.00	250.00	11,618.53
Reimbursements	-	-	-	-
Interest	19,100.00	19,364.10	7,050.00	9,781.98
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	19,350.00	27,876.10	7,300.00	21,400.51
DISBURSEMENTS				
UMB COP Payment	-	-	-	-
Trustee Fee Expense	-	-	1,400.00	-
Equipment Purchases	1,250,000.00	86,514.11	1,255,000.00	28,236.69
TOTAL DISBURSEMENTS	1,250,000.00	86,514.11	1,256,400.00	28,236.69
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,230,650.00)	(58,638.01)	(1,249,100.00)	(6,836.18)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,289,317.81	1,289,317.81	1,296,153.99	1,296,153.99
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 58,667.81	$ 1,230,679.80	$ 47,053.99	$ 1,289,317.81

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				ELECTION SERVICES FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	253,750.00	250,924.73	253,750.00	242,439.94	10,718.00	1,635.78	10,727.00	2,743.55
Charges for Services	12,850.00	14,501.50	12,850.00	13,955.00	-	-	-	-
Interest	2,265.00	3,890.06	2,265.00	2,104.29	9.00	-	-	60.71
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	849.04	-	-
TOTAL RECEIPTS	268,865.00	269,316.29	268,865.00	258,499.23	10,727.00	2,484.82	10,727.00	2,804.26
DISBURSEMENTS								
Salaries	198,915.00	187,431.72	196,930.00	194,805.19	-	-	-	-
Employee Fringe Benefits	47,400.00	47,046.01	51,585.00	44,346.08	-	-	-	-
Office	9,000.00	5,824.98	19,700.00	22,727.84	1,718.00	899.40	1,718.00	899.40
Equipment	13,000.00	9,408.80	20,200.00	17,731.58	5,000.00	-	5,000.00	-
Appraisal Contracts	5,000.00	-	10,000.00	2,250.00	-	-	-	-
Utilities	2,250.00	2,296.80	2,200.00	2,079.81	-	-	-	-
Materials and Supplies	2,750.00	1,114.40	6,550.00	4,593.13	2,400.00	-	2,400.00	-
Mileage and Training	9,000.00	4,522.31	12,500.00	11,959.85	1,000.00	-	1,000.00	-
Insurance	3,729.00	4,552.44	1,000.00	3,639.51	-	-	-	-
GIS	16,000.00	20,836.75	16,000.00	15,850.00	-	-	-	-
Legal Fees	15,000.00	5,498.77	30,000.00	9,145.88	-	-	-	-
Vehicle Purchase	8,500.00	8,033.20	30,000.00	20,000.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	330,544.00	296,566.18	396,665.00	349,128.87	10,118.00	899.40	10,118.00	899.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(61,679.00)	(27,249.89)	(127,800.00)	(90,629.64)	609.00	1,585.42	609.00	1,904.86
CASH AND INVESTMENT BALANCES, JANUARY 1	120,864.16	120,864.16	211,493.80	211,493.80	7,321.21	7,321.21	5,416.35	5,416.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 59,185.16	$ 93,614.27	$ 83,693.80	$ 120,864.16	$ 7,930.21	$ 8,906.63	$ 6,025.35	$ 7,321.21

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY TAX FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	800.00	730.17	800.00	747.12	-	-	-	-
Interest	135.00	274.28	35.00	111.49	55.00	91.11	15.00	33.38
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	935.00	1,004.45	835.00	858.61	55.00	91.11	15.00	33.38
DISBURSEMENTS								
Fees	-	-	-	-	3,900.00	-	3,800.00	-
Tuition	7,650.00	500.00	7,640.00	400.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	7,650.00	500.00	7,640.00	400.00	3,900.00	-	3,800.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,715.00)	504.45	(6,805.00)	458.61	(3,845.00)	91.11	(3,785.00)	33.38
CASH AND INVESTMENT BALANCES, JANUARY 1	12,058.15	12,058.15	11,599.54	11,599.54	4,023.62	4,023.62	3,990.24	3,990.24
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 5,343.15	$ 12,562.60	$ 4,794.54	$ 12,058.15	$ 178.62	$ 4,114.73	$ 205.24	$ 4,023.62

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY ADMINISTRATIVE FUND				RECORDER'S USERS FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,080.00	1,380.00	2,200.00	950.00	4,400.00	3,886.00	3,300.00	4,501.00
Interest	100.00	210.10	26.00	86.86	600.00	2,062.03	25.00	796.16
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,180.00	1,590.10	2,226.00	1,036.86	5,000.00	5,948.03	3,325.00	5,297.16
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Equipment Purchases	-	-	-	-	93,425.00	-	86,960.00	-
Professional Services	3,250.00	410.00	3,150.00	410.00	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
State Fees	7,550.00	721.00	7,500.00	637.70	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,800.00	1,131.00	10,650.00	1,047.70	93,425.00	-	86,960.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,620.00)	459.10	(8,424.00)	(10.84)	(88,425.00)	5,948.03	(83,635.00)	5,297.16
CASH AND INVESTMENT BALANCES, JANUARY 1	9,711.53	9,711.53	9,722.37	9,722.37	89,332.32	89,332.32	84,035.16	84,035.16
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 91.53	$ 10,170.63	$ 1,298.37	$ 9,711.53	$ 907.32	$ 95,280.35	$ 400.16	$ 89,332.32

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	DOMESTIC FUND				INMATE SECURITY FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,000.00	487.00	1,000.00	513.00	28,900.00	17,827.94	20,000.00	8,495.50
Interest	3.00	3.15	1.00	1.51	50.00	72.09	50.00	43.56
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,003.00	490.15	1,001.00	514.51	28,950.00	17,900.03	20,050.00	8,539.06
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	26,200.00	18,750.53	20,000.00	10,683.32
Professional Services	1,200.00	501.21	1,200.00	647.88	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,200.00	501.21	1,200.00	647.88	26,200.00	18,750.53	20,000.00	10,683.32
RECEIPTS OVER (UNDER) DISBURSEMENTS	(197.00)	(11.06)	(199.00)	(133.37)	2,750.00	(850.50)	50.00	(2,144.26)
CASH AND INVESTMENT BALANCES, JANUARY 1	267.96	267.96	401.33	401.33	2,204.88	2,204.88	4,349.14	4,349.14
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 70.96	$ 256.90	$ 202.33	$ 267.96	$ 4,954.88	$ 1,354.38	$ 4,399.14	$ 2,204.88

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THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF'S FUND				RECORDER'S TECH FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	2,200.00	100.00	-	-	-	-
Charges for Services	8,000.00	9,098.75	18,000.00	8,464.50	2,000.00	2,110.00	1,500.00	2,468.75
Interest	120.00	558.35	100.00	178.22	50.00	157.02	5.00	89.89
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,120.00	9,657.10	20,300.00	8,742.72	2,050.00	2,267.02	1,505.00	2,558.64
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	15,000.00	2,864.38	15,000.00	5,303.54	7,710.00	574.48	13,808.00	9,016.20
Professional Services	5,000.00	-	5,000.00	253.45	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	2,864.38	20,000.00	5,556.99	7,710.00	574.48	13,808.00	9,016.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,880.00)	6,792.72	300.00	3,185.73	(5,660.00)	1,692.54	(12,303.00)	(6,457.56)
CASH AND INVESTMENT BALANCES, JANUARY 1	21,695.63	21,695.63	18,509.90	18,509.90	6,065.69	6,065.69	12,523.25	12,523.25
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 9,815.63	$ 28,488.35	$ 18,809.90	$ 21,695.63	$ 405.69	$ 7,758.23	$ 220.25	$ 6,065.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LEPC FUND				TAX MAINTENANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,000.00	7,360.91	10,000.00	-	-	-	-	-
Charges for Services	-	-	-	-	16,500.00	14,864.04	15,000.00	17,120.28
Interest	-	-	-	-	10.00	14.67	-	9.94
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,000.00	7,360.91	10,000.00	-	16,510.00	14,878.71	15,000.00	17,130.22
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000.00	7,360.91	10,000.00	-	-	-	-	-
Equipment Purchases	-	-	-	-	20,000.00	5,619.30	14,000.00	7,521.20
Professional Services	-	-	-	-	10,000.00	500.00	16,000.00	500.00
Mileage and Training	-	-	-	-	3,000.00	986.51	1,000.00	581.26
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	7,360.91	10,000.00	-	33,000.00	7,105.81	31,000.00	8,602.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(16,490.00)	7,772.90	(16,000.00)	8,527.76
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	25,112.25	25,112.25	16,584.49	16,584.49
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ -	$ -	$ 8,622.25	$ 32,885.15	$ 584.49	$ 25,112.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT TRAINING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	4,100.00	2,386.00	32,000.00	3,980.00	4,300.00	4,219.31	4,150.00	4,178.66
Interest	160.00	280.47	100.00	194.57	55.00	210.46	20.00	75.96
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,260.00	2,666.47	32,100.00	4,174.57	4,355.00	4,429.77	4,170.00	4,254.62
DISBURSEMENTS								
Training	-	-	-	-	8,000.00	7,311.74	3,100.00	1,458.16
Materials and Supplies	9,100.00	2,993.16	21,200.00	7,101.54	2,000.00	-	1,100.00	-
Other	-	-	-	-	-	-	-	-
Equipment Purchases	9,250.00	2,674.15	10,900.00	8,020.76	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	18,350.00	5,667.31	32,100.00	15,122.30	10,000.00	7,311.74	4,200.00	1,458.16
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,090.00)	(3,000.84)	-	(10,947.73)	(5,645.00)	(2,881.97)	(30.00)	2,796.46
CASH AND INVESTMENT BALANCES, JANUARY 1	14,121.65	14,121.65	25,069.38	25,069.38	9,489.38	9,489.38	6,692.92	6,692.92
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 31.65	$ 11,120.81	$ 25,069.38	$ 14,121.65	$ 3,844.38	$ 6,607.41	$ 6,662.92	$ 9,489.38

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	EMERGENCY FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	4,000.00	7,470.09	2,850.00	4,318.92
Other	-	-	-	-
Transfers In	-	-	65,000.00	65,000.00
TOTAL RECEIPTS	4,000.00	7,470.09	67,850.00	69,318.92
DISBURSEMENTS				
Professional Services	-	-	4,000.00	1,039.85
Transfers Out	460,000.00	76,759.49	460,000.00	-
TOTAL DISBURSEMENTS	460,000.00	76,759.49	464,000.00	1,039.85
RECEIPTS OVER (UNDER) DISBURSEMENTS	(456,000.00)	(69,289.40)	(396,150.00)	68,279.07
CASH AND INVESTMENT BALANCES, JANUARY 1	496,667.71	496,667.71	428,388.64	428,388.64
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 40,667.71	$ 427,378.31	$ 32,238.64	$ 496,667.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	DRUG ENFORCEMENT FUND				COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	9,850.00
Charges for Services	-	-	-	-	7,500.00	2,187.50	-	6,129.50
Interest	0.13	0.13	1.00	0.93	75.00	396.98	-	64.69
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	0.13	0.13	1.00	0.93	7,575.00	2,584.48	-	16,044.19
DISBURSEMENTS								
Materials and Supplies	101.60	101.60	100.00	-	-	-	-	-
Capital Outlay	-	-	-	-	17,000.00	-	-	-
Emergency Expenses	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	101.60	101.60	100.00	-	17,000.00	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(101.47)	(101.47)	(99.00)	0.93	(9,425.00)	2,584.48	-	16,044.19
CASH AND INVESTMENT BALANCES, JANUARY 1	101.47	101.47	100.54	100.54	16,044.19	16,044.19	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ 1.54	$ 101.47	$ 6,619.19	$ 18,628.67	$ -	$ 16,044.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	Collector Funds	Recorders Funds	Sheriff Funds	General Schools	District Schools
ASSETS					
Cash and Cash Equivalents	$ 10,506,966.54	$ 5,394.50	$ 3,590.75	$ -	$ -
Total Assets	10,506,966.54	5,394.50	3,590.75	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	10,506,966.54	5,394.50	3,590.75	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 10,506,966.54	$ 5,394.50	$ 3,590.75	$ -	$ -

	Tri-Co Nursing	Monroe City Ambulance #1	Monroe City Ambulance #2	Ralls County Ambulance #3	Ralls County Library
ASSETS					
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -
Total Assets	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ -	$ -

	Health Department	Hannibal Rural Fire Department	Prosecuting Attorney	CERF Fund	Unclaimed Fees Fund
ASSETS					
Cash and Cash Equivalents	$ -	$ -	$ 44.00	$ 1.14	$ -
Total Assets	-	-	44.00	1.14	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	44.00	1.14	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 44.00	$ 1.14	$ -

	County Schools' Fund	Employee Tax Savings Fund	Flood Control Fund	Land Surplus Fund	Grand Total Agency Funds
ASSETS					
Cash and Cash Equivalents	$ 40,779.85	$ 760.00	$ -	$ 266.44	$ 10,557,803.22
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	40,779.85	760.00	-	266.44	10,557,803.22
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	40,779.85	760.00	-	266.44	10,557,803.22
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 40,779.85	$ 760.00	$ -	$ 266.44	$ 10,557,803.22

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RALLS
NEW LONDON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	Collector Funds	Recorders Funds	Sheriff Funds	General Schools	District Schools
ASSETS					
Cash and Cash Equivalents	$ 6,924,940.72	$ 4,769.50	$ 2,590.25	$ -	$ -
Total Assets	6,924,940.72	4,769.50	2,590.25	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	6,924,940.72	4,769.50	2,590.25	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 6,924,940.72	$ 4,769.50	$ 2,590.25	$ -	$ -

	Tri-Co Nursing	Monroe City Ambulance #1	Monroe City Ambulance #2	Ralls County Ambulance #3	Ralls County Library
ASSETS					
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -
Total Assets	-	-	-	-	-
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ -	$ -

	Health Department	Hannibal Rural Fire Department	Prosecuting Attorney	CERF Fund	Unclaimed Fees Fund
ASSETS					
Cash and Cash Equivalents	$ -	$ -	$ 44.00	$ 1.08	$ 34.10
Total Assets	-	-	44.00	1.08	34.10
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	44.00	1.08	34.10
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 44.00	$ 1.08	$ 34.10

	County Schools' Fund	Employee Tax Savings Fund	Flood Control Fund	Land Surplus Fund	Grand Total Agency Funds
ASSETS					
Cash and Cash Equivalents	$ 32,699.53	$ 610.00	$ -	$ 266.44	$ 6,965,955.62
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	32,699.53	610.00	-	266.44	6,965,955.62
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	32,699.53	610.00	-	266.44	6,965,955.62
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 32,699.53	$ 610.00	$ -	$ 266.44	$ 6,965,955.62

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ralls, Missouri ("County"), which is governed by three commissioners, was established in 1820 by an Act of the Missouri Territory. In addition to the three commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk/Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, Surveyor, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Ralls County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances– All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their offices or departments for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	$ 141,420,180	$ 140,749,370
Personal Property	90,911,468	82,123,470
Railroad and Utilities	22,260,955	23,032,338
	$ 254,592,603	$ 245,905,178

During 2018 and 2017, the County Commission approved a $0.5521 and $0.5544 tax levy, respectively, per $100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	$ 0.2832	$ 0.2864
Special Road and Bridge Fund	0.2689	0.2680
	$ 0.5521	$ 0.5544

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amounts of the County's deposits were $2,583,452.02 and $3,077,820.72, and the bank balances were $12,223,545.19 and $10,161,863.10, respectively. The total bank balance as of December 31, 2018, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions. $568,133.29 of the total balance as of December 31, 2017, was not insured, however, by January 2, 2018 it was subsequently covered.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits and cash equivalents	$	2,583,452.02
Investments		-
Total Governmental Funds		2,583,452.02
Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:		
Deposits		10,557,803.22
Total Agency Funds		10,557,803.22
Total Deposits and Investments as of December 31, 2018	$	13,141,255.24

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits and cash equivalents	$	1,627,820.72
Investments		1,450,000.00
Total Governmental Funds		3,077,820.72
Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:		
Deposits		6,965,955.62
Total Agency Funds		6,965,955.62
Total Deposits and Investments as of December 31, 2017	$	10,043,776.34

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2018, and 2017.

III. CAPITAL LEASES

On November 23, 2013, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of 2 – 2012 Dodge Chargers, 1 – 2013 Dodge Charger and 1 – 2013 Ram 1500 for $103,103.29. The lease term is 48 months. Payments of principal and interest are due annually on November 29 with the first payment due November 29, 2014. The interest rate is 2.65% per annum. The County paid the balance off in 2017.

On July 14, 2014, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of 2 – 2014 Dodge Chargers and service contracts for $70,083.23. The lease term is 40 months. Payments of principal and interest are due annually on July 14 with the first payment due November 29, 2014. The interest rate is 2.68% per annum. The County paid the balance off in 2017.

On May 11, 2015, the County of Ralls entered into a lease purchase agreement with Caterpillar Financial Services Corporation for one new 140M3AWD Caterpillar Motor Grader for $167,430.00. The financing agreement calls for five payments of $36,801.88 to be paid annually. The interest rate is 3.20% per annum. The County paid the balance off in 2018.

III. CAPITAL LEASES (continued)

On January 9, 2017, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of 2 - 2017 Dodge Durangos for $60,784.00. The lease term is 48 months. Payments of principal and interest are due annually on January 9 with the first payment due January 9, 2018. The interest rate is 2.73% per annum.

On March 18, 2017, the County of Ralls entered into a lease purchase agreement with Commerce Bank to finance the purchase of a 2016 Ford Explorer Police Interceptor for $12,892.00. The lease term is 36 months. Payments of principal and interest are due annually on March 18 with the first payment due March 18, 2017. The interest rate is 2.73% per annum. The County paid the balance off in 2017.

On May 11, 2017, the County of Ralls entered into a lease purchase agreement with Caterpillar Financial Services Corporation for one new 140M3AWD Caterpillar Motor Grader for $177,000.00. The financing agreement calls for three payments of $49,033.07 to be paid annually, and the last payment is in the amount of $49,034.07. The interest rate is 4.2% per annum.

On November 2, 2017, the County of Ralls entered into a lease purchase agreement with HNB National Bank to finance the purchase of 2 - 2017 Dodge Durangos and 1 – 2018 Dodge Durango for $131,153.85. The lease term is 48 months. Payments of principal and interest are due annually on March 15 with the first payment due March 15, 2018. The interest rate is 3.75% per annum. The County paid the balance off in 2018.

As of December 31, 2018, the unpaid principal balance was $166,931.18. The payments for the County's lease purchase agreements are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2015 Caterpillar Moter Grader	$ 103,635.13	$ -	$ 103,635.13	$ -	$ 1,882.62
2017 Dodge Durangos	46,384.40	-	14,917.98	31,466.42	1,669.84
2017 Caterpillar Moter Grader	177,000.00	-	41,535.24	135,464.76	7,497.83
2017 & 2018 Dodge Durangos	113,701.97	-	113,701.97	-	1,457.52
TOTAL	$ 440,721.50	$ -	$ 273,790.32	$ 166,931.18	$ 12,507.81

III. CAPITAL LEASES (concluded)

The future payments for the capital leases as of December 31, 2018, are as follows:

Year Ending December 31,	Interest	Principal	Total
2019	$ 6,871.16	$ 58,749.73	$ 65,620.89
2020	4,480.81	61,140.08	65,620.89
2021	1,992.70	47,041.37	49,034.07
	$ 13,344.67	$ 166,931.18	$ 180,275.85

As of December 31, 2017, the unpaid principal balance was $440,721.50. The payments for the County's lease purchase agreements are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2013 & 2012 Dodge Chargers	$ 26,795.71	$ -	$ 26,795.71	$ -	$ 710.09
2014 Dodge Chargers	17,923.40	-	17,923.40	-	480.25
2015 Caterpillar Moter Grader	136,039.87	-	32,404.74	103,635.13	4,397.14
2017 Dodge Durangos	-	60,784.00	14,399.60	46,384.40	2,188.22
2016 Ford Explorer	-	12,892.00	12,892.00	-	486.68
2017 Caterpillar Moter Grader	177,000.00	-	-	177,000.00	-
2017 & 2018 Dodge Durangos	-	131,153.85	17,451.88	113,701.97	-
TOTAL	$ 357,758.98	$ 204,829.85	$ 121,867.33	$ 440,721.50	$ 8,262.38

The future payments for the capital leases as of December 31, 2017, are as follows:

Year Ending December 31,	Interest	Principal	Total
2018	$ 12,507.81	$ 273,790.32	$ 286,298.13
2019	6,871.16	58,749.73	65,620.89
2020	4,480.81	61,140.08	65,620.89
2021	1,992.70	47,041.37	49,034.07
	$ 25,852.48	$ 440,721.50	$ 466,573.98

IV. OPERATING LEASES

On March 28, 2014, the County of Ralls entered into an operating lease with Canon for 3-4235 copiers. The term of the lease is for 60 months with monthly payments of $455 beginning in June 2014.

On February 23, 2017, the County of Ralls entered into an operating lease with Canon for a C5235a copier. The term of the lease is for 51 months with monthly payments of $148 beginning in March 2017.

The future payments for operating leases entered into by the County for the year ended December 31, 2018, are as follows:

Year Ending December 31	Operating Lease Payments
2019	$ 3,163.00
	$ 3,163.00

The future payments for operating leases entered into by the County for the year ended December 31, 2017, are as follows:

Year Ending December 31	Operating Lease Payments
2018	$ 7,236.00
2019	3,163.00
	$ 10,399.00

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	$ 78,926.98	$ 849.04	$ 1,888.09	$ 65,000.00
Special Road and Bridge Fund	1,219.22	-	1,062.05	-
Election Services Fund	849.04	-	-	-
Flood Control Fund	-	3,386.71	-	2,950.14
Emergency Fund	-	76,759.49	65,000.00	-
TOTAL	$ 80,995.24	$ 80,995.24	$ 67,950.14	$ 67,950.14

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Ralls County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Ralls County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	2018 Valuation
Benefit Multiplier:	1.50%
Final Average Salary:	5 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	General	Police
Inactive employees or beneficiaries currently receiving benefits	41	9
Inactive employees entitled to but not yet receiving benefits	10	13
Active employees	32	9
	83	31

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.9% (General) and 8.3% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Actuarial Assumptions

The total pension liability in the February 29, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

The healthy retiree mortality tables, for post-retirement mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	$ 104,060	$ 21,269
2 Interest on Total Pension Liability	298,485	64,022
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	93,429	24,517
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(234,896)	(38,675)
7 Net change in total pension liability	261,078	71,133
8 Total pension liability - beginning	4,181,307	891,617
9 Total pension liability - ending	$ 4,442,385	$ 962,750
B. Plan Fiduciary Net Position		
1 Contributions - employer	$ 110,010	$ 34,599
2 Contributions - employee	-	-
3 Net investment income	506,701	117,928
4 Benefit payments, including refunds of employee contributions	(234,896)	(38,675)
5 Pension plan administrative expense	(6,913)	(1,963)
6 Other (net transfer)	44,826	12,526
7 Net change in plan fiduciary net position	419,728	124,415
8 Plan fiduciary net position - beginning	4,246,478	976,488
9 Plan fiduciary net position - ending	$ 4,666,206	$ 1,100,903
C. Net Pension Liability / (Asset)	$ (223,821)	$ (138,153)
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.04%	114.35%
E. Covered-Employee Payroll	$ 1,114,765	$ 350,958
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-20.08%	-39.36%

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	$ 5,033,792	$ 4,442,385	$ 3,954,405
Plan Fiduciary Net Position	4,666,206	4,666,206	4,666,206
Net Pension Liability / (Asset) (NPL)	$ 367,586	$ (223,821)	$ (711,801)
Police Division:			
Total Pension Liability (TPL)	$ 1,111,391	$ 962,750	$ 843,731
Plan Fiduciary Net Position	1,100,903	1,100,903	1,100,903
Net Pension Liability / (Asset) (NPL)	$ 10,488	$ (138,153)	$ (257,172)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the employer would have recognized pension expense of $244,171 under GAAP. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 168,830	$ -	$ 15,035	$ (3,606)
Changes in assumptions	41,883	-	1,411	-
Net difference between projected and actual earnings on pension plan investments	-	(120,796)	-	(33,813)
Total	$ 210,713	$ (120,796)	$ 16,446	$ (37,419)

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2018.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2019	$ 151,754	$ 10,759
2020	38,717	(2,461)
2021	(60,169)	(19,889)
2022	(40,385)	(9,382)
2023	-	-
Thereafter	-	-
Total	$ 89,917	$ (20,973)

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit, which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2018 and 2017, the County collected and remitted to CERF, employee contributions of approximately $37,220.09 and $54,829.62, respectively, for the years then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $11,628.00 and $11,628.00, respectively, for the years ended December 31, 2018, and 2017.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There was one participant and one retiree at December 31, 2018, paying premiums of $1,127.48 and one participant at December 31, 2017, paying premiums of $7,974.36.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was not involved in any litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Ralls County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime. Sick time is offered to full time employees at the rate of one-half day for each calendar month of employment and are allowed to accumulate up to 30 days. Sick time is paid for at a rate of 50% for any unused sick pay up to 120 hours. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There are no subsequent events as of the audit report date.

SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

I. For the year ended December 31, 2018, the budget for the Special Road and Bridge Fund budgeted a negative fund balance of $89,344.52.

INTERNAL CONTROL AND COMPLIANCE SECTION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Ralls, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Ralls (County) as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [2018-001, 2018-002, 2018-003, 2018-004, 2018-005 and 2018-006]

Compliance and Other Matters

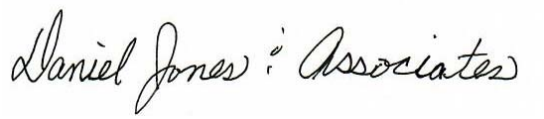
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 1, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

I. FINANCIAL STATEMENT FINDINGS (continued)

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-003 Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over all federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over all federal awards.

Effect: No risk assessment over all federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

I. FINANCIAL STATEMENT FINDINGS (continued)

2018-003 Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-004 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that bank reconciliations for the Sheriff's office were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Sheriff's administration.

Context: This deficiency became apparent through our testing of the Sheriff's cash accounts and the related reconciliations during the December 31, 2017, year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The Sheriff's (Gerry Dinwiddle) office was reconciling the account during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Sheriff's office is 573-985-5611.

2018-005 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Collector's office.

Condition: We noted that bank reconciliations for the Collector's main account were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Collector's administration.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations during the December 31, 2017, year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-005 Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The current Collector's (Tara Comer) office was reconciling the account during 2019 and the previous Collector was reconciling the accounts during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Collector's office is 573-985-5621.

2018-006 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County's accounts were under-pledged for the year ended December 31, 2017.

Context: The County's bank accounts with a financial institution were under collateralized by $568,133.29 at December 31, 2017.

Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

Views of responsible officials and planned corrective actions: The County will review account balances with the financial institution to ensure that they are collateralized on a regular basis. The financial institution did add another letter of credit on 1/2/2018 in the amount of $5,000,000.00. The Treasurer is Jena Epperson (573-985-7151) and the Collector of Revenue is Tara Comer (573-985-5621).

I. FOLLOW-UP PRIOR YEAR FINDINGS

FS 2016-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

Status: Finding unresolved by County for the years ending December 31, 2018, and 2017. See 2018-001.

FS 2016-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

I. FOLLOW-UP PRIOR YEAR FINDINGS (concluded)

FS 2016-002 Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

Status: Finding unresolved by County for the years ending December 31, 2018, and 2017. See 2018-002.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2016-001	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2016, 2015
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over this federal award.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over this federal award.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

SA 2016-001

Effect: No risk assessment over this federal award.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 985-7111.

Status: Finding unresolved by County for the years ending December 31, 2018, and 2017. See 2018-003.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

July 1, 2019

To the County Commission
The County of Ralls, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Ralls (the "County") as of and for the years ended December 31, 2018 and 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-002

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2018-002 Views of Responsible Officials and Planned Corrective Actions: The County Clerk's office is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is by the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-003 Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over all federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over all federal awards.

Effect: No risk assessment over all federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 985-7111.

2018-004 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Sheriff's office.

Condition: We noted that bank reconciliations for the Sheriff's office were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Sheriff's administration.

Context: This deficiency became apparent through our testing of the Sheriff's cash accounts and the related reconciliations during the December 31, 2017, year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Sheriff's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2018-004 Views of Responsible Officials and Planned Corrective Actions: The Sheriff's (Gerry Dinwiddle) office was reconciling the account during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Sheriff's office is 573-985-5611.

2018-005 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Collector's office.

Condition: We noted that bank reconciliations for the Collector's main account were not being performed for the account during 2017. If they were being reconciled for the year ended December 31, 2017, they could not be found by the current Collector's administration.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations during the December 31, 2017, year.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The current Collector's (Tara Comer) office was reconciling the account during 2019 and the previous Collector was reconciling the accounts during 2018 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2018. The phone number for the Collector's office is 573-985-5621.

2018-006 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County's accounts were under-pledged for the year ended December 31, 2017.

Context: The County's bank accounts with a financial institution were under collateralized by $568,133.29 at December 31, 2017.

Effect: There is a risk that the County's under collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: We recommend that the County periodically review all account balances to ensure they are fully secured.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2018-006 Views of responsible officials and planned corrective actions: The County will review account balances with the financial institution to ensure that they are collateralized on a regular basis. The financial institution did add another letter of credit on 1/2/2018 in the amount of $5,000,000.00. The Treasurer is Jena Epperson (573-985-7151) and the Collector of Revenue is Tara Comer (573-985-5621).

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 24, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 1, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

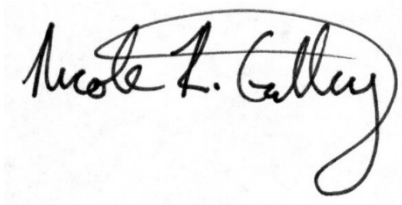
Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Schuyler County, Missouri

The Office of the State Auditor contracted for an audit of Schuyler County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-080

Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Schuyler County

2018-001 Procurement Procedures	The County solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records. In cases in which state statutes would normally dictate that bidding is necessary but is not performed, this reasoning should be included in the Commission minutes or elsewhere.
2018-002 Investment Policy	The County adopt an investment policy in accordance with state statutes and review compliance with this policy at least annually. The Model Investment Policy from the State Treasurer's office has been provided to the County for review.

ANNUAL FINANCIAL REPORT

SCHUYLER COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

SCHUYLER COUNTY, MISSOURI

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INTRODUCTORY SECTION

SCHUYLER COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Rodney Cooper

Northern Commissioner – Jim Werner

Southern Commissioner – Jeff Lindquist

Other Elected Officials

Assessor – Gary Stump

Circuit Clerk – Judy Keim

Collector – Tammy R. Steele

County Clerk – Bree Shaw

Coroner – Douglas B. Norman

Prosecuting Attorney – Lindsay Gravett

Public Administrator – Mary (Melody) Whitacre

Recorder – Linda Blessing

Sheriff – Joe Wuebker

Treasurer – Karmen Burt

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Schuyler County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Schuyler County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Schuyler County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Schuyler County, Missouri, as of December 31, 2017 and 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Schuyler County, Missouri, as of December 31, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 30, 2019, on our consideration of Schuyler County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Schuyler County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 30, 2019

Exhibit A

SCHUYLER COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Cash Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Cash Investments December 31, 2018
General Revenue	$ 186,458	$ 707,688	$ 728,545	$ 165,601	$ 709,011	$ 708,803	$ 165,809
Special Road & Bridge	200,822	733,112	738,858	195,076	677,797	718,202	154,671
Assessment	-	77,437	73,626	3,811	75,528	75,770	3,569
Users Fees	9,194	1,625	3,395	7,424	1,869	3,880	5,413
Law Enforcement Training	4,213	1,542	2,397	3,358	1,507	487	4,378
Law Sales	-	420,458	420,458	-	465,896	465,896	-
Bad Check	1,182	1,574	928	1,828	2,045	1,947	1,926
Civil Service	2,154	3,646	3,378	2,422	4,533	4,823	2,132
5% Election Services	8,008	1,913	4,409	5,512	6,078	7,404	4,186
Recorder's	2,006	923	1,684	1,245	1,098	1,457	886
Special Elections	-	6,959	6,959	-	27,787	27,787	-
Senior Citizen	-	26,646	26,646	-	23,335	23,335	-
Domestic Violence	2	206	198	10	92	102	-
Collector's Tax Maintenance	11,908	6,117	6,670	11,355	6,446	4,243	13,558
Sheriff Revolving	13,732	791	1,234	13,289	1,487	3,568	11,208
Confined Animal Feeding Operation (CAFO)	4,289	797	-	5,086	290	-	5,376
Collector's Restitution	-	1,800	1,800	-	1,800	1,800	-
Modex	12,105	3,354	-	15,459	2,948	7,664	10,743
Drug/Alcohol Education Training	-	-	-	-	3,731	3,616	115
County Improvement Corporation	35	47,686	46,909	812	14,755	13,403	2,164
Prosecuting Attorney Training	27	247	274	-	241	241	-
Sales Tax Trust	202,470	174,871	166,842	210,499	176,200	174,211	212,488
Law Enforcement Restitution	4,455	1,397	832	5,020	453	3,585	1,888
Total	$ 663,060	$ 2,220,789	$ 2,236,042	$ 647,807	$ 2,204,927	$ 2,252,224	$ 600,510

The accompanying Notes to the Financial Statements are an integral part of this statement.

SCHUYLER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 143,000	$ 165,422	$ 182,700	$ 149,783
Sales taxes	340,000	347,476	360,000	350,228
Intergovernmental	53,242	57,045	56,771	66,684
Charges for services	90,300	88,062	91,940	90,059
Interest	1,850	1,639	1,850	1,114
Other	30,500	23,044	27,500	36,143
Transfers in	29,350	25,000	39,956	15,000
Total Receipts	$ 688,242	$ 707,688	$ 760,717	$ 709,011
DISBURSEMENTS				
County Commission	$ 66,388	$ 66,092	$ 68,322	$ 73,950
County Clerk	77,130	77,575	79,155	76,616
Elections	9,115	-	24,475	13,089
Buildings and grounds	126,000	124,143	100,000	58,687
Employee fringe benefits	21,700	20,326	21,700	22,534
Treasurer	34,744	32,902	35,586	35,300
Collector	51,040	47,789	52,974	48,847
Recorder of Deeds	35,800	35,636	36,786	36,409
Circuit Clerk	14,300	10,782	11,400	6,970
Court administration	16,791	14,001	18,388	15,179
Public Administrator	22,015	20,515	19,638	19,489
Other County government	98,493	93,911	98,572	99,295
Health and welfare	2,535	1,950	2,535	1,950
Transfers out	204,138	182,923	230,602	200,488
Emergency fund	20,647	-	22,822	-
Total Disbursements	$ 800,836	$ 728,545	$ 822,955	$ 708,803
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (112,594)	$ (20,857)	$ (62,238)	$ 208
CASH AND INVESTMENTS, JANUARY 1	186,458	186,458	165,601	165,601
CASH AND INVESTMENTS, DECEMBER 31	$ 73,864	$ 165,601	$ 103,363	$ 165,809

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCHUYLER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 335,500	$ 381,631	$ 393,700	$ 332,637	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	455,780	323,763	433,949	324,452	63,600	68,856	69,500	60,546
Charges for services	15,000	18,977	11,500	9,864	2,400	2,545	2,700	3,284
Interest	5,500	2,881	2,900	1,666	210	209	210	128
Other	8,000	5,860	5,000	9,178	1,350	1,834	1,850	2,642
Transfers in	-	-	-	-	7,533	3,993	-	8,928
Total Receipts	$ 819,780	$ 733,112	$ 847,049	$ 677,797	$ 75,093	$ 77,437	$ 74,260	$ 75,528
DISBURSEMENTS								
Salaries	$ 245,153	$ 226,804	$ 250,000	$ 214,598	$ 57,253	$ 57,253	$ 58,821	$ 58,821
Employee fringe benefits	36,500	33,570	34,500	29,551	5,700	5,457	5,700	5,531
Materials and supplies	317,800	152,932	233,700	229,226	3,465	3,546	3,310	6,857
Services and other	85,622	82,641	87,339	91,196	3,075	2,302	3,090	2,161
Capital outlay	118,259	151,611	193,586	138,631	5,600	5,068	6,950	2,400
Construction	175,000	66,300	-	-	-	-	-	-
Transfers out	29,350	25,000	39,956	15,000	-	-	-	-
Total Disbursements	$ 1,007,684	$ 738,858	$ 839,081	$ 718,202	$ 75,093	$ 73,626	$ 77,871	$ 75,770
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (187,904)	$ (5,746)	$ 7,968	$ (40,405)	$ -	$ 3,811	$ (3,611)	$ (242)
CASH AND INVESTMENTS, JANUARY 1	200,822	200,822	195,076	195,076	-	-	3,811	3,811
CASH AND INVESTMENTS, DECEMBER 31	$ 12,918	$ 195,076	$ 203,044	$ 154,671	$ -	$ 3,811	$ 200	$ 3,569

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCHUYLER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	USERS FEES FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	600	538	575	505
Charges for services	3,500	1,534	1,500	1,820	1,500	970	1,200	972
Interest	150	91	100	49	35	34	35	30
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,650	$ 1,625	$ 1,600	$ 1,869	$ 2,135	$ 1,542	$ 1,810	$ 1,507
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,500	123	2,500	431	-	-	-	-
Services and other	700	859	1,000	480	3,000	2,397	3,000	487
Capital outlay	3,000	2,413	3,000	2,969	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,200	$ 3,395	$ 6,500	$ 3,880	$ 3,000	$ 2,397	$ 3,000	$ 487
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,550)	$ (1,770)	$ (4,900)	$ (2,011)	$ (865)	$ (855)	$ (1,190)	$ 1,020
CASH AND INVESTMENTS, JANUARY 1	9,194	9,194	7,424	7,424	4,213	4,213	3,358	3,358
CASH AND INVESTMENTS, DECEMBER 31	$ 6,644	$ 7,424	$ 2,524	$ 5,413	$ 3,348	$ 3,358	$ 2,168	$ 4,378

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW SALES FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	170,000	173,740	180,000	175,116	-	-	-	-
Intergovernmental	36,874	38,636	40,987	47,001	-	-	-	-
Charges for services	52,050	31,323	36,240	54,674	2,000	1,574	1,600	2,045
Interest	-	-	-	-	-	-	-	-
Other	-	1,088	1,098	804	10	-	-	-
Transfers in	196,605	175,671	227,353	188,301	-	-	-	-
Total Receipts	$ 455,529	$ 420,458	$ 485,678	$ 465,896	$ 2,010	$ 1,574	$ 1,600	$ 2,045
DISBURSEMENTS								
Salaries	$ 273,762	$ 263,205	$ 293,001	$ 292,623	$ -	$ -	$ -	$ -
Employee fringe benefits	31,766	30,761	34,566	33,241	-	-	-	-
Materials and supplies	15,678	13,210	16,090	14,490	-	-	-	-
Services and other	123,523	97,995	131,771	105,751	3,000	928	3,300	1,947
Capital outlay	10,800	9,660	10,250	8,295	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	5,627	-	11,496	-	-	-	-
Total Disbursements	$ 455,529	$ 420,458	$ 485,678	$ 465,896	$ 3,000	$ 928	$ 3,300	$ 1,947
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (990)	$ 646	$ (1,700)	$ 98
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	1,182	1,182	1,828	1,828
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ -	$ -	$ -	$ 192	$ 1,828	$ 128	$ 1,926

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CIVIL SERVICE FUND				5% ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,525	3,646	3,870	4,533	3,048	1,825	6,567	6,039
Interest	-	-	-	-	60	88	85	39
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,525	$ 3,646	$ 3,870	$ 4,533	$ 3,108	$ 1,913	$ 6,652	$ 6,078
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	2,000	-	1,000	1,113
Services and other	3,625	3,378	6,000	4,823	2,000	349	2,000	116
Capital outlay	-	-	-	-	2,000	4,060	6,175	6,175
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,625	$ 3,378	$ 6,000	$ 4,823	$ 6,000	$ 4,409	$ 9,175	$ 7,404
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (100)	$ 268	$ (2,130)	$ (290)	$ (2,892)	$ (2,496)	$ (2,523)	$ (1,326)
CASH AND INVESTMENTS, JANUARY 1	2,154	2,154	2,422	2,422	8,008	8,008	5,512	5,512
CASH AND INVESTMENTS, DECEMBER 31	$ 2,054	$ 2,422	$ 292	$ 2,132	$ 5,116	$ 5,512	$ 2,989	$ 4,186

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S FUND				SPECIAL ELECTIONS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	960	923	1,000	1,098	17,758	6,959	33,682	27,787
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 960	$ 923	$ 1,000	$ 1,098	$ 17,758	$ 6,959	$ 33,682	$ 27,787
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,500	1,237	1,500	1,256	13,478	5,289	25,712	22,525
Services and other	500	298	250	201	4,280	1,670	7,970	5,262
Capital outlay	500	149	250	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 2,500	$ 1,684	$ 2,000	$ 1,457	$ 17,758	$ 6,959	$ 33,682	$ 27,787
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,540)	$ (761)	$ (1,000)	$ (359)	$ -	$ -	$ -	$ -
CASH AND INVESTMENTS, JANUARY 1	2,006	2,006	1,245	1,245	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	$ 466	$ 1,245	$ 245	$ 886	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZEN FUND				DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 24,200	$ 26,540	$ 27,200	$ 23,240	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	25	91	100	86	-	-	-	-
Charges for services	-	-	-	-	200	206	200	92
Interest	10	15	15	9	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 24,235	$ 26,646	$ 27,315	$ 23,335	$ 200	$ 206	$ 200	$ 92
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	24,235	26,646	27,315	23,335	202	198	210	102
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 24,235	$ 26,646	$ 27,315	$ 23,335	$ 202	$ 198	$ 210	$ 102
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (2)	$ 8	$ (10)	$ (10)
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	2	2	10	10
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ -	$ -	$ -	$ -	$ 10	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR'S TAX MAINTENANCE FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,000	5,982	6,200	6,350	5,000	654	1,000	1,388
Interest	125	135	140	96	75	137	130	99
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 6,125	$ 6,117	$ 6,340	$ 6,446	$ 5,075	$ 791	$ 1,130	$ 1,487
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	3,000	688	3,000	239	-	-	-	-
Services and other	1,100	887	1,500	434	-	65	100	142
Capital outlay	5,900	5,095	6,000	3,570	3,500	1,169	7,000	3,426
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,000	$ 6,670	$ 10,500	$ 4,243	$ 3,500	$ 1,234	$ 7,100	$ 3,568
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,875)	$ (553)	$ (4,160)	$ 2,203	$ 1,575	$ (443)	$ (5,970)	$ (2,081)
CASH AND INVESTMENTS, JANUARY 1	11,908	11,908	11,355	11,355	13,732	13,732	13,289	13,289
CASH AND INVESTMENTS, DECEMBER 31	$ 8,033	$ 11,355	$ 7,195	$ 13,558	$ 15,307	$ 13,289	$ 7,319	$ 11,208

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CONFINED ANIMAL FEEDING OPERATION (CAFO) FUND				COLLECTOR'S RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	750	500	250	1,800	1,800	1,800	1,800
Interest	50	47	50	40	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 50	$ 797	$ 550	$ 290	$ 1,800	$ 1,800	$ 1,800	$ 1,800
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,000	-	1,000	-	1,800	1,800	1,800	1,800
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,000	$ -	$ 1,000	$ -	$ 1,800	$ 1,800	$ 1,800	$ 1,800
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (950)	$ 797	$ (450)	$ 290	$ -	$ -	$ -	$ -
CASH AND INVESTMENTS, JANUARY 1	4,289	4,289	5,086	5,086	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	$ 3,339	$ 5,086	$ 4,636	$ 5,376	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

SCHUYLER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	MODEX FUND				DRUG/ALCOHOL EDUCATION TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,700	3,354	3,975	2,948	-	-	5,000	3,731
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 4,700	$ 3,354	$ 3,975	$ 2,948	$ -	$ -	$ 5,000	$ 3,731
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	8,000	-	8,000	7,664	-	-	5,000	3,616
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 8,000	$ -	$ 8,000	$ 7,664	$ -	$ -	$ 5,000	$ 3,616
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,300)	$ 3,354	$ (4,025)	$ (4,716)	$ -	$ -	$ -	$ 115
CASH AND INVESTMENTS, JANUARY 1	12,105	12,105	15,459	15,459	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	$ 8,805	$ 15,459	$ 11,434	$ 10,743	$ -	$ -	$ -	$ 115

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCHUYLER COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY IMPROVEMENT CORPORATION FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	37,800	38,800	198,000	-	-	-	-	-
Charges for services	-	-	-	-	350	246	250	240
Interest	-	-	-	-	1	1	1	1
Other	-	-	-	-	-	-	-	-
Transfers in	-	8,886	49,058	14,755	-	-	-	-
Total Receipts	$ 37,800	$ 47,686	$ 247,058	$ 14,755	$ 351	$ 247	$ 251	$ 241
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	37,835	46,909	238,880	13,403	378	274	251	241
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 37,835	$ 46,909	$ 238,880	$ 13,403	$ 378	$ 274	$ 251	$ 241
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (35)	$ 777	$ 8,178	$ 1,352	$ (27)	$ (27)	$ -	$ -
CASH AND INVESTMENTS, JANUARY 1	35	35	812	812	27	27	-	-
CASH AND INVESTMENTS, DECEMBER 31	$ -	$ 812	$ 8,990	$ 2,164	$ -	$ -	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

SCHUYLER COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SALES TAX TRUST FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	170,000	173,689	180,000	175,106	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,000	1,363	1,500	440
Interest	1,300	1,182	1,200	1,094	30	34	35	13
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 171,300	$ 174,871	$ 181,200	$ 176,200	$ 2,030	$ 1,397	$ 1,535	$ 453
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	4,000	832	4,000	3,585
Capital outlay	-	-	-	-	-	-	-	-
Construction	166,842	166,842	174,211	174,211	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 166,842	$ 166,842	$ 174,211	$ 174,211	$ 4,000	$ 832	$ 4,000	$ 3,585
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 4,458	$ 8,029	$ 6,989	$ 1,989	$ (1,970)	$ 565	$ (2,465)	$ (3,132)
CASH AND INVESTMENTS, JANUARY 1	202,470	202,470	210,499	210,499	4,455	4,455	5,020	5,020
CASH AND INVESTMENTS, DECEMBER 31	$ 206,928	$ 210,499	$ 217,488	$ 212,488	$ 2,485	$ 5,020	$ 2,555	$ 1,888

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

SCHUYLER COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
Treasurer Fines	$ 4,226	$ 33,151	$ 36,519	$ 858	$ 29,127	$ 29,424	$ 561
Treasurer CERF	-	54,856	53,129	1,727	65,629	66,838	518
Treasurer Deputy Sheriff Salary Supplemental	-	1,567	1,567	-	1,730	1,730	-
Treasurer Unclaimed Fees	2,011	39	-	2,050	-	-	2,050
Treasurer Surplus Land	306	3	-	309	2	-	311
Treasurer Financial Institution Tax	13,322	12,625	13,348	12,599	2,513	12,669	2,443
Treasurer Library	-	76,409	76,409	-	66,534	66,534	-
Treasurer Nursing Home	-	76,597	76,597	-	66,764	66,764	-
Treasurer Ambulance	-	203,423	203,423	-	177,107	177,107	-
Treasurer Health Department	-	152,388	152,388	-	142,798	142,798	-
Treasurer Schools Tax	-	1,721,789	1,721,789	-	1,502,533	1,502,533	-
Treasurer Schools Bond	-	414,388	414,388	-	355,523	355,523	-
Treasurer Schools Surtax	-	9,184	9,184	-	9,106	9,106	-
Treasurer Schools Surtax Bond	-	3,731	3,731	-	3,699	3,699	-
Collector Property Tax	2,019,520	3,418,905	3,580,559	1,857,866	3,499,467	3,122,578	2,234,755
Collector Protested Tax	-	-	-	-	-	-	-
Recorder	-	29,755	29,755	-	46,445	46,445	-
Sheriff General	934	34,552	34,167	1,319	64,096	63,252	2,163
Public Administrator	14,083	48,536	51,655	10,964	772,968	70,589	713,343
Total	$ 2,054,402	$ 6,291,898	$ 6,458,608	$ 1,887,692	$ 6,806,041	$ 5,737,589	$ 2,956,144

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Schuyler County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Schuyler County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector and Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2018	2017
Senior Citizen	N/A	✓
County Improvement Corporation	N/A	✓

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	2018	2017
Real Estate	$ 29,930,976	$ 29,418,451
Personal Property	15,642,585	15,395,508
Railroad and Utilities	4,807,034	5,004,580
Total	$ 50,380,595	$ 49,818,539

For calendar years 2018 and 2017, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018	2017
General Revenue	$ 0.3255	$ 0.3345
Special Road & Bridge	0.2659	0.2659
Common Road District	0.4802	0.4775
Senior Citizen	0.0500	0.0499

The Common Road District levy is included in the Property Tax receipts of the Special Road & Bridge Fund.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time

certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County's deposits were $600,510 and $647,807, respectively, and the bank balances were $628,278 and $667,198, respectively. Of the bank balances, $250,000 and $250,000 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and investments listed above, cash and investments held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the carrying amounts of the County's custodial funds were $2,956,144 and $1,887,692, respectively, and the bank balances were $2,683,367 and $1,569,752, respectively. Of the bank balances, $969,146 and $515,254 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. The County has elected not to make contributions on behalf of employees. During 2018 and 2017, the County collected and remitted to CERF employee withholdings and fees collected of $66,838 and $53,129, respectively, for the years then ended.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting

Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $3,360 and $3,360, respectively, for the years ended December 31, 2018 and 2017.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

After one full year of employment, vacation time will accrue at one week per year. After three full years of employment, vacation time will accrue at two weeks per year. All vacation time must be taken in the year it is earned. A terminated employee is entitled to receive a pro-rated payment of unused vacation time. Full-time hourly employees receive six sick/personal days after their 90 day probationary period, up to a maximum of 12 days. Any days over the 12 days will be paid out at the end of the year.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

A. On February 5, 2013, the County entered into a retail installment loan contract for the purchase of a 2013 Chevy Silverado beginning in March 2013 for the amount of $22,496 with monthly payments of $415 at an interest rate of 3.99% for a term of 5 years. The final payment was made in 2018.

B. On November 1, 2013, the County entered into a Governmental Obligation Contract to purchase a 2013 Volvo G940B Motor Grader in the amount of $80,050 with annual payments of $12,989 due annually beginning November 1, 2014, at an interest rate of 3.29% for a term of 7 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 12,175	$ 814	$ 12,989
2020	12,576	413	12,989
Totals	$ 24,751	$ 1,227	$ 25,978

C. On January 27, 2014, the County entered into a lease-purchase agreement for a 2014 John Deere Motor Grader for the amount of $74,064 (net of trade-in) with annual payments of $16,191 starting January 27, 2015, with an interest rate of 3.00% for a term of 5 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 15,714	$ 477	$ 16,191

D. On May 22, 2015, the County entered into a capital lease for a 2015 John Deere Loader Backhoe for the amount of $46,969 with annual payments of $10,572 starting May 22, 2016, with an interest rate of 4.00% for a term of 5 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 9,761	$ 811	$ 10,572
2020	10,159	414	10,573
Totals	$ 19,920	$ 1,225	$ 21,145

E. On February 1, 2016, the County entered into a promissory note for the purchases of 911 signs with the U.S. Department of Agriculture for the amount of $13,500 with annual payments of $2,959 starting in February 2017, with an interest rate of 3.125% for a term of 5 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 2,698	$ 261	$ 2,959
2020	2,782	177	2,959
2021	2,866	93	2,959
Totals	$ 8,346	$ 531	$ 8,877

F. On March 18, 2016, the County entered into a capital lease for a 2008 John Deere Excavator for the amount of $49,674 with annual payments of $11,263 starting March 18, 2017, with an interest rate of 4.25% for a term of 5 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 9,917	$ 1,346	$ 11,263
2020	10,347	916	11,263
2021	10,796	468	11,264
Totals	$ 31,060	$ 2,730	$ 33,790

G. On May 16, 2016, the County entered into a promissory note for the purchase of a 2016 Ford F-150 Sheriff vehicle with the U.S. Department of Agriculture for the amount of $14,500 with annual payments of $5,115 starting in May 2017, with an interest rate of 2.875% for a term of 3 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 4,969	$ 146	$ 5,115

H. On August 15, 2016, the County entered into a capital lease for a 2016 Caterpillar Motor Grader for the amount of $190,483 with annual payments of $30,804 starting in August 2016, with an interest rate of 3.20% for a term of 7 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 26,316	$ 4,488	$ 30,804
2020	27,158	3,646	30,804
2021	28,027	2,777	30,804
2022	28,923	1,881	30,804
2023	29,850	955	30,805
Totals	$ 140,274	$ 13,747	$ 154,021

I. On September 11, 2017, the County entered into a promissory note for the purchase of a 2018 Ford F-150 Sheriff vehicle with the U.S. Department of Agriculture for the amount of $15,000 with annual payments of $5,329 starting in September 2018, with an interest rate of 3.25% for a term of 3 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 4,999	$ 330	$ 5,329
2020	5,160	169	5,329
Totals	$ 10,159	$ 499	$ 10,658

J. On February 23, 2018, the County entered into a capital lease for a 2018 John Deere Motor Grader for the amount of $198,000 with annual payments of $37,862 starting in February 2019, with an interest rate of 4.00% for a term of 6 years.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 29,795	$ 8,067	$ 37,862
2020	31,009	6,853	37,862
2021	32,273	5,589	37,862
2022	33,587	4,275	37,862
2023	34,956	2,906	37,862
2024	36,380	1,482	37,862
Totals	$ 198,000	$ 29,172	$ 227,172

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
Chevy Silverado	$ 5,623	$ -	$ (4,842)	$ 781	$ 138
Volvo Motor Grader	47,950	-	(11,412)	36,538	1,577
2014 JD Motor Grader	45,763	-	(14,799)	30,964	1,392
2015 JD Loader Backhoe	38,310	-	(9,011)	29,299	1,561
911 Signs	13,500	-	(2,537)	10,963	422
2008 JD Excavator	49,674	-	(9,110)	40,564	2,153
2016 Ford F-150	14,500	-	(4,698)	9,802	417
Caterpillar Motor Grader	190,483	-	(24,709)	165,774	6,095
2018 Ford F-150	-	15,000	-	15,000	-

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
Chevy Silverado	$ 781	$ -	$ (781)	$ -	$ 49
Volvo Motor Grader	36,538	-	(11,787)	24,751	1,202
2014 JD Motor Grader	30,964	-	(15,250)	15,714	941
2015 JD Loader Backhoe	29,299	-	(9,379)	19,920	1,193
911 Signs	10,963	-	(2,617)	8,346	342
2008 JD Excavator	40,564	-	(9,504)	31,060	1,759
2016 Ford F-150	9,802	-	(4,833)	4,969	282
Caterpillar Motor Grader	165,774	-	(25,500)	140,274	5,304
2018 Ford F-150	15,000	-	(4,841)	10,159	488
2018 JD Motor Grader	-	198,000	-	198,000	-

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 30, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Schuyler County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Schuyler County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Schuyler County, Missouri's basic financial statements and have issued our report thereon dated July 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Schuyler County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Schuyler County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Schuyler County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Schuyler County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and recommendations as items 2018-001 and 2018-002.

Schuyler County, Missouri's Response to Findings

Schuyler County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and recommendations. Schuyler County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 30, 2019

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2018-001: Procurement Procedures

Criteria: Section 50.660, RSMo states that, "All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition, including advertising the proposed letting in a newspaper in the county or township with a circulation of at least five hundred copies per issue, if there is one, except that the advertising is not required in case of contracts or purchases involving an expenditure of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety days…." Section 50.783.1, RSMo states that, "The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies."

Condition: Our audit noted several transactions for which bidding would be expected to have been performed but for which no documentation of bidding was available. Four payments totaling $103,267 (ranging from $8,154 to $46,974) were explained by the County as having been emergency Road & Bridge department purchases, but this was not documented in the Commission minutes or elsewhere. The County indicated that the bidding for a $35,000 Road & Bridge department equipment purchase was done over the phone, but no documentation was maintained. Road & Bridge department equipment was purchased in 2018 for $28,000, but no bidding was performed. The Commissioners discovered the item was for sale and decided to purchase it.

Cause: Informal bidding was performed or the County believed bidding was not necessary due to the emergency nature of certain items.

Effect: The County was noncompliant with state statutes pertaining to procurement practices.

Recommendation: We recommend the County solicit bids in accordance with Missouri state law and maintain bid documentation in conjunction with associated disbursement records. In cases in which state statutes would normally dictate that bidding is necessary but is not performed, this reasoning should be included in the Commission minutes or elsewhere.

County's Response: Schuyler County will take the recommendation under advisement.

Auditor's Evaluation: The County's consideration should include specific steps to address the recommendation.

2018-002: Investment Policy

Criteria: Section 30.950, RSMo requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Section 110.270, RSMo authorizes counties to place their funds in U.S. Treasury and agency obligations.

Condition: The County has not adopted a formal investment policy as required by state statutes.

Cause: The County has not invested in anything other than a certificate of deposit, therefore, they did not believe that an investment policy was necessary.

Effect: The investment policy commits that County to the principles of safety, liquidity, and yield (in that order) when managing public funds and prohibits the purchase of derivatives, use of leveraging, and use of public funds for speculation. It also addresses topics such as collateralization of deposits, strategy with respect to investment in public funds, and other areas.

Recommendation: We recommend the County adopt an investment policy in accordance with state statutes and review compliance with this policy at least annually. The Model Investment Policy from the State Treasurer's office has been provided to the County for review.

County's Response: Schuyler County will take the recommendation under advisement.

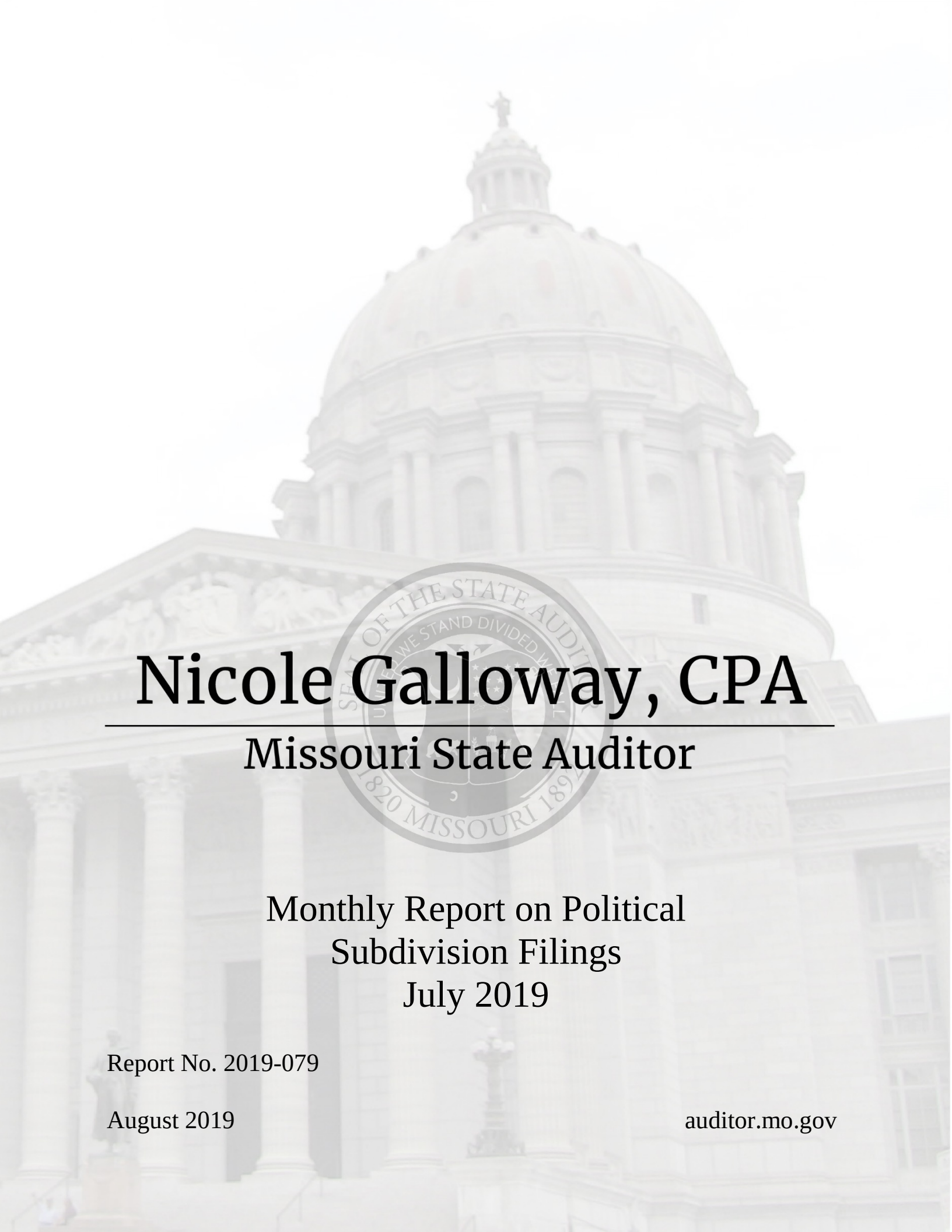
Auditor's Evaluation: The County's consideration should include specific steps to address the recommendation.

SCHUYLER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Schuyler County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2014 and 2013.

1. The County Commission approved excess expenditures in three funds in 2014 and 2013.

   Status: There were two funds in 2017 for which actual expenditures exceeded budgeted. There were no such instances in 2018. We do not consider these instances to rise to the level of material noncompliance, therefore, this finding is considered resolved.



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings July 2019

Report No. 2019-079

August 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
July 2019
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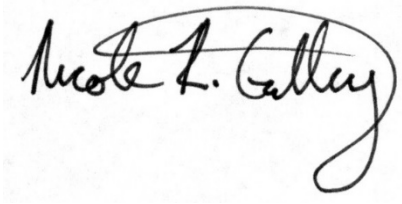
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 11 political subdivisions required to file a financial report by July 31, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in July 2019, after their filing deadline. The filing status for these 196 entities is presented in summary on page 3 and by individual entity in Appendix B-D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings
July 2019
Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 11 political subdivisions, other than cities, towns, and villages, with a fiscal year end of January 31, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 11 political subdivisions, 8 filed an annual financial report timely.

This report also includes the filing status for 196 political subdivisions, other than cities, towns, and villages, that filed their financial report in July 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due July 31, 2019

Fiscal Year Ended January 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	South St. Joseph D&LD	No	
Carroll	Big Bend Levee District	Yes	January 15, 2019
	Carr Sal Levee District	Yes	January 15, 2019
	Eugene Township Drainage District	Yes	January 31, 2019
	Farmers Drainage & Levee District	Yes	January 31, 2019
	Wakenda Levee District	Yes	January 29, 2019
Cedar	Cedar County Memorial Hospital	Yes	July 19, 2019
Jefferson	Valle Lake Sewer District	Yes	July 10, 2019
Mississippi	Consolidated DD 1 Mississippi County	No	
Scott	North Scott Ambulance District	Yes	July 26, 2019
St. Charles	Dardenne Creek Drainage District 3	No	
Total Filed		8	
Total Not Filed		3	

Acronyms:

DD	Drainage District
D&LD	Drainage and Levee District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in July 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Gentry	Albany Community FPD	Yes	July 31, 2019
St. Louis City	Downtown St. Louis CID	Yes	July 29, 2019
Total Filed		2	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due May 31, 2019
Filed in July 2019

Fiscal Year Ended November 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Big Tarkio Drainage District	Yes	July 6, 2019
St. Francois	Leadwood FPD	Yes	July 2, 2019
Total Filed		2	

Acronyms:
FPD Fire Protection District

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in July 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Chariton River Drainage District	Yes	July 30, 2019
Andrew	Andrew County Ambulance District	Yes	July 1, 2019
	PWSD 2 Andrew County	Yes	July 30, 2019
	Village of Country Club FPD	Yes	July 22, 2019
Atchison	Atchison County Library District	Yes	July 22, 2019
	North Nishnabotna Drainage District	Yes	July 23, 2019
	Phelps City Dyke Drainage District	Yes	July 23, 2019
Audrain	Laddonia Farber SRD Audrain County	Yes	July 25, 2019
	PWSD 2 Audrain County	Yes	July 19, 2019
	Saling SRD 2 Audrain County	Yes	July 24, 2019
	Tri County NHD	Yes	July 23, 2019
	Vandalia SRD Audrain County	Yes	July 30, 2019
Barry	Barry County Health Department	Yes	July 18, 2019
	Capps Creek SRD Barry County	Yes	July 5, 2019
	Pioneer SRD 31 Barry County	Yes	July 24, 2019
	Washburn SRD 4 Barry County	Yes	July 30, 2019
Barton	Barton County Ambulance District	Yes	July 22, 2019
Bates	PWSD 4 Bates County	Yes	July 24, 2019
Benton	Sewer District 1 Benton County	Yes	July 23, 2019
Bollinger	Leopold Volunteer FPD	Yes	July 26, 2019
Boone	Broadway-Fairview TDD	Yes	July 24, 2019
	Conley Road TDD	Yes	July 24, 2019
	Cross Creek TDD	Yes	July 29, 2019
	Grindstone Plaza TDD	Yes	July 24, 2019
	Rock Bridge Center TDD	Yes	July 24, 2019
	Shoppes at Stadium TDD	Yes	July 24, 2019
Buchanan	Agri-Business Expo Center TDD	Yes	July 24, 2019
	Easton FPD	Yes	July 2, 2019
	San Antonio FPD	Yes	July 18, 2019
Butler	Butler County Health Department	Yes	July 3, 2019
	Consolidated DD 10 Butler County	Yes	July 31, 2019
	PWSD 3 Butler County	Yes	July 22, 2019
Caldwell	Caldwell County Health Department	Yes	July 23, 2019
	Caldwell County Library District	Yes	July 30, 2019
	Shoal Creek FPD	Yes	July 24, 2019
Callaway	Central Callaway FPD	Yes	July 9, 2019
	PWSD 1 Callaway County	Yes	July 22, 2019
Camden	Camelot Sewer District	Yes	July 22, 2019
	Horseshoe Bend SRD 1 Camden County	Yes	July 8, 2019
	Mid-County FPD Camden County	Yes	July 29, 2019
	Normac Sewer District	Yes	July 22, 2019
	PWSD 3 Camden County	Yes	July 2, 2019
	Southwest Camden County FPD	Yes	July 23, 2019

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in July 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Sunny Slope Country Club SwrD	Yes	July 22, 2019
	Toad Cove Complex CID	Yes	July 16, 2019
	Toad Cove Complex TDD	Yes	July 16, 2019
Camden	Toad Cove Resort CID	Yes	July 16, 2019
	Toad Cove Resort TDD	Yes	July 16, 2019
Cape Girardeau	Millersville Rural FPD	Yes	July 23, 2019
	Whitewater FPD	Yes	July 29, 2019
Carter	East Carter Ambulance District	Yes	July 31, 2019
	PWSD 2 Carter County	Yes	July 23, 2019
Cass	Cass Medical Center	Yes	July 23, 2019
	Dolan & West Dolan FPD	Yes	July 23, 2019
	Northwest Cass CID	Yes	July 23, 2019
	PWSD 12 Cass County	Yes	July 22, 2019
Chariton	Chariton County 911 Board	Yes	July 17, 2019
Christian	Bluff Drive CID	Yes	July 23, 2019
Clay	Clay County Public Health Center	Yes	July 31, 2019
	Holt Community FPD	Yes	July 22, 2019
	PWSD 4 Clay County	Yes	July 29, 2019
Cole	PWSD 1 Cole County	Yes	July 25, 2019
Cooper	Cooper County Public Health Center	Yes	July 22, 2019
	Windsor Place CID	Yes	July 25, 2019
Daviess	Daviess County Health Department	Yes	July 22, 2019
	Daviess County SRD 1	Yes	July 31, 2019
DeKalb	Central DeKalb County FPD	Yes	July 16, 2019
	Clarksdale FPD	Yes	July 23, 2019
Douglas	Douglas County Health Department	Yes	July 22, 2019
Dunklin	Dunklin County Library District	Yes	July 22, 2019
	PWSD 1 Dunklin County	Yes	July 1, 2019
	PWSD 2 Dunklin County	Yes	July 31, 2019
	PWSD 3 Dunklin County	Yes	July 12, 2019
Franklin	PWSD 4 Franklin County	Yes	July 29, 2019
Gasconade	Gasconade Manor NHD	Yes	July 30, 2019
	Morrison Levee District	Yes	July 29, 2019
Gentry	King City FPD	Yes	July 23, 2019
	McFall FPD	Yes	July 19, 2019
Greene	Ebenezer FPD	Yes	July 22, 2019
Grundy	Jewett Norris-Grundy County PLD	Yes	July 22, 2019
	Laredo FPD	Yes	July 22, 2019
Harrison	PWSD 1 Harrison County	Yes	July 22, 2019
Henry	Henry County Health Center	Yes	July 26, 2019
	Mt. Hope SRD Henry County	Yes	July 31, 2019
Hickory	Hickory County Health Department	Yes	July 22, 2019
	PWSD 2 Hickory County	Yes	July 10, 2019

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in July 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Corning SRD Holt County	Yes	July 23, 2019
	Levee District 4 Holt County	Yes	July 31, 2019
Howard	Howard County Ambulance District	Yes	July 22, 2019
Jackson	Bi-State Commission	Yes	July 19, 2019
	Grandview Crossing CID	Yes	July 23, 2019
Jefferson	Huntington Glen CID	Yes	July 3, 2019
Jefferson	PWSD 5 Jefferson County	Yes	July 30, 2019
	Winding Bluffs CID	Yes	July 3, 2019
Johnson	Johnson County FPD 2	Yes	July 22, 2019
Lawrence	Aurora Rural FPD	Yes	July 8, 2019
	Freistatt FPD	Yes	July 28, 2019
	Mt. Vernon Ambulance District	Yes	July 11, 2019
Lewis	Lewis County Health Department	Yes	July 15, 2019
	PWSD 1 Lewis County	Yes	July 26, 2019
	Western Lewis County FPD	Yes	July 11, 2019
Linn	Linn County 911 Board	Yes	July 22, 2019
Maries	Belle SRD 6 Maries-Osage County	Yes	July 22, 2019
Marion	Marion County Library Subdistrict 1	Yes	July 29, 2019
	Marion County NHD	Yes	July 30, 2019
Mercer	Mercer County FPD	Yes	July 30, 2019
	Mercer County Health Department	Yes	July 23, 2019
	Mercer County Library District	Yes	July 1, 2019
	PWSD 1 Mercer County	Yes	July 26, 2019
Miller	Eagles Landing CID	Yes	July 22, 2019
Mississippi	Mississippi Ambulance District	Yes	July 25, 2019
Moniteau	Fortuna FPD	Yes	July 25, 2019
Monroe	Monroe County NHD	Yes	July 22, 2019
Montgomery	Middletown Community FPD	Yes	July 31, 2019
Morgan	Morgan County Library District	Yes	July 9, 2019
New Madrid	Drainage District 39 New Madrid County	Yes	July 29, 2019
Newton	Diamond Area FPD	Yes	July 31, 2019
	Redings Mill FPD	Yes	July 3, 2019
Osage	Chamois Volunteer FPD	Yes	July 25, 2019
	PWSD 4 Osage County	Yes	July 4, 2019
Perry	Perry County Health Department	Yes	July 23, 2019
Phelps	Phelps County 911 Board	Yes	July 29, 2019
	St. James Ambulance District	Yes	July 22, 2019
Pike	Buffalo Township FPD	Yes	July 23, 2019
	Eolia Community FPD	Yes	July 22, 2019
	Louisiana SRD 3 Pike County	Yes	July 25, 2019
	Pike County Health Department	Yes	July 23, 2019
Platte	Camden Point FPD	Yes	July 1, 2019
	PWSD 8 Platte County	Yes	July 8, 2019

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in July 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Polk	Polk County 911 Board	Yes	July 23, 2019
	Polk County Health Center	Yes	July 23, 2019
	Polk County Library District	Yes	July 22, 2019
Pulaski	Dixon Ambulance District	Yes	July 29, 2019
	Farris Family TDD	Yes	July 25, 2019
	Interstate Plaza/North Town Village TDD	Yes	July 1, 2019
	Pulaski County Health Department	Yes	July 22, 2019
	Pulaski County Sewer District	Yes	July 1, 2019
Ralls	Ralls County Health Department	Yes	July 22, 2019
Randolph	Eastern Randolph Rural FPD	Yes	July 26, 2019
	Northeast R-IV Rural FPD	Yes	July 26, 2019
	Southeastern Randolph FPD	Yes	July 26, 2019
Ray	Hardin SRD Ray County	Yes	July 29, 2019
	Orrick FPD	Yes	July 25, 2019
	PWSD 1 Ray County	Yes	July 11, 2019
	Ray County Health Department	Yes	July 23, 2019
	Richmond FPD	Yes	July 8, 2019
	Tri-County Drainage District	Yes	July 23, 2019
Reynolds	Reynolds County 911 Board	Yes	July 30, 2019
	Reynolds County Health Center	Yes	July 22, 2019
Ripley	Naylor Drainage District	Yes	July 23, 2019
	Purman SRD Ripley County	Yes	July 31, 2019
Saline	Saline County Rural FPD	Yes	July 22, 2019
	Slater Rural FPD	Yes	July 25, 2019
Scotland	Bear Creek Watershed Subdistrict	Yes	July 23, 2019
	Consolidated PWSD 1 Scotland County	Yes	July 22, 2019
	Scotland County Health Department	Yes	July 22, 2019
	Scotland County Library District	Yes	July 1, 2019
Shannon	Shannon County Health Department	Yes	July 30, 2019
St. Charles	Fountain Lakes Community Center South CID	Yes	July 29, 2019
	Greens Bottom Drainage District	Yes	July 25, 2019
	Hancock Drainage District	Yes	July 25, 2019
	Kingsmill TDD	Yes	July 26, 2019
	Mark Twain Mall TDD	Yes	July 8, 2019
	New Melle FPD	Yes	July 11, 2019
	St. Charles Riverfront CID	Yes	July 1, 2019
	St. Charles Riverfront TDD	Yes	July 1, 2019
St. Clair	Chloe SRD St. Clair County	Yes	July 23, 2019
	Collins FPD	Yes	July 23, 2019
	St. Clair County Health Center	Yes	July 24, 2019
St. Louis	Centene Plaza TDD	Yes	July 7, 2019
	Hanley Station TDD	Yes	July 26, 2019
	Maryland Oaks CID	Yes	July 3, 2019

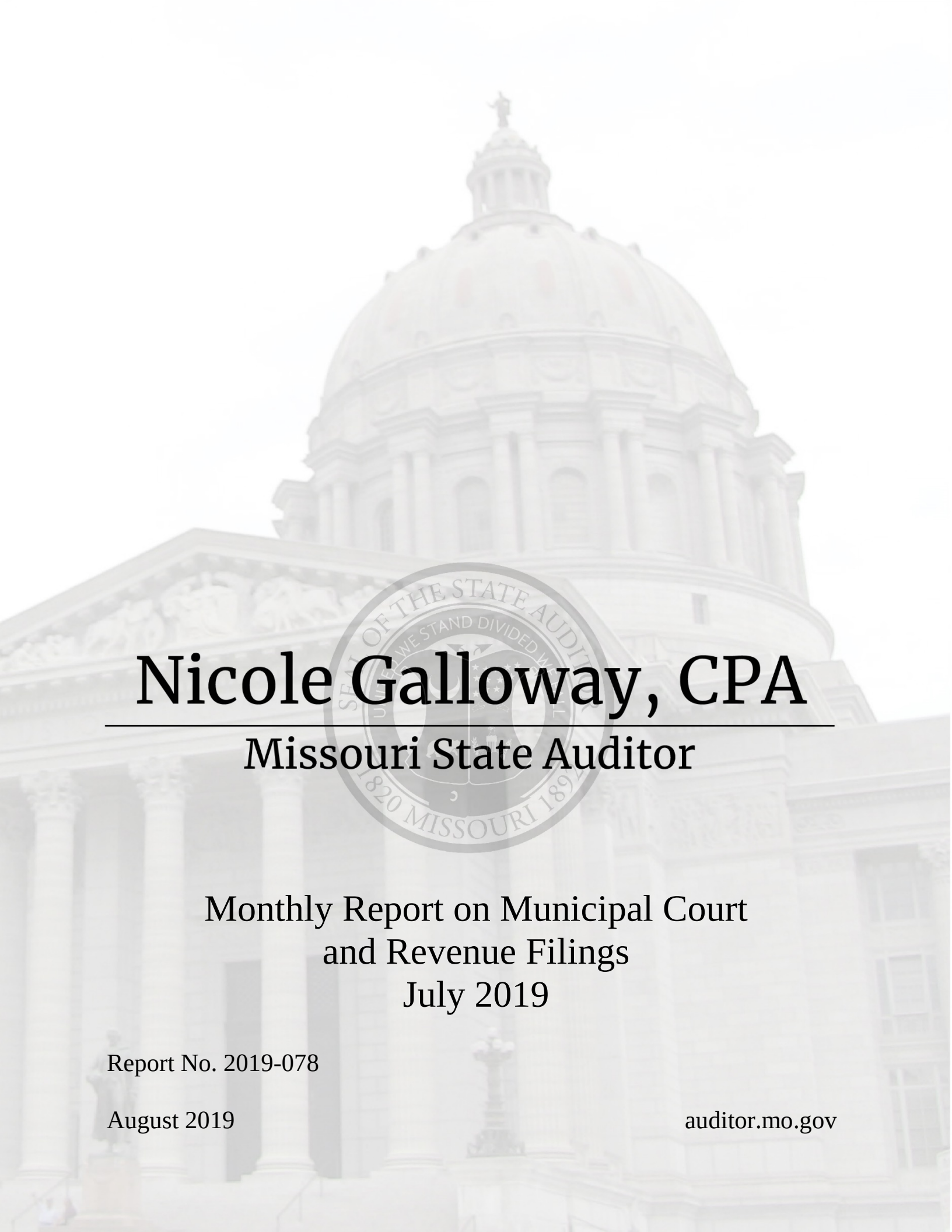
Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in July 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Northeast Ambulance & FPD	Yes	July 30, 2019
	Olive/Graeser TDD	Yes	July 29, 2019
	Tori Pines Commons CID	Yes	July 7, 2019
	University Place TDD	Yes	July 9, 2019
	Upper West End Park CID	Yes	July 31, 2019
	Westport Plaza II CID	Yes	July 25, 2019
St. Louis City	Tower Grove South Concerned Citizen SBD	Yes	July 30, 2019
Ste. Genevieve	Ste. Genevieve County Health	Yes	July 8, 2019
Stoddard	Stoddard County Ambulance District	Yes	July 23, 2019
Stone	Stone County Library District	Yes	July 23, 2019
Sullivan	Milan SRD Sullivan County	Yes	July 22, 2019
Taney	Protem FPD	Yes	July 30, 2019
Texas	Texas County EMS Board	Yes	July 26, 2019
	Texas County Health Department	Yes	July 11, 2019
Vernon	Vernon County Health Department	Yes	July 1, 2019
Washington	PWSD 1 Washington County	Yes	July 29, 2019
	PWSD 4 Washington County	Yes	July 29, 2019
	Washington County 911 Board	Yes	July 31, 2019
Wayne	PWSD 4 Butler-Wayne County	Yes	July 2, 2019
Webster	Niangua FPD	Yes	July 22, 2019
Total Filed		192	

Acronyms:

CID	Community Improvement District
DD	Drainage District
FPD	Fire Protection District
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
SBD	Special Business District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings July 2019

Report No. 2019-078

August 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
July 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

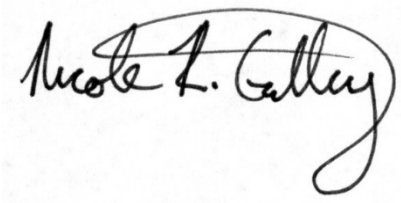
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipaliy required to file a financial report by July 31, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 1 city is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in July 2019, after their filing deadline. The filing status for these 41 cities, 2 towns, and 19 villages is presented in summary on pages 4 and by individual entity in Appendixes B to D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 1 city with a fiscal year end of January 31, 2019, whose financial report was due by July 31, 2019. The municipality filed its annual financial report timely. The municipality was not required to file an addendum or certification.

This report includes the filing status for 41 cities, 2 towns, and 19 villages that filed at least one of the items (financial report, addendum, or certification) in July 2019, after their filing deadline. Of these entities, 56 filed an annual financial report, 9 filed an addendum, and 3 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due July 31, 2019

Fiscal Year Ended January 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cole	City of St. Martins	Yes	July 30, 2019	n/a	n/a
Total Filed		1		0	0
Total Not Filed		0		0	0
Total n/a		0		1	1

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 28, 2019
Filed in July 2019

Fiscal Year Ended August 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Clay	City of Avondale	Yes	July 8, 2019	No	n/a
Total Filed		1		0	0

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in July 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Cool Valley	Yes	July 26, 2019	***	***
Total Filed		1		0	0

*** File after March 31, 2019, but before July 2019.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in July 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	Village of Country Club	Yes	July 22, 2019	No	n/a
Atchison	City of Fairfax	Yes	July 24, 2019	No	n/a
Barton	Village of Lamar Heights	Yes	July 10, 2019	n/a	n/a
Bates	City of Hume	Yes	July 16, 2019	n/a	n/a
Benton	City of Cole Camp	Yes	July 22, 2019	**	n/a
Butler	City of Neelyville	Yes	July 23, 2019	n/a	n/a
	City of Poplar Bluff	Yes	July 1, 2019	Yes	n/a
Callaway	City of Auxvasse	Yes	July 25, 2019	No	n/a
Camden	City of Osage Beach	**	June 19, 2019	Yes	No
Cass	City of East Lynne	Yes	July 25, 2019	No	n/a
Chariton	City of Sumner	Yes	July 5, 2019	n/a	n/a
Clinton	City of Trimble	Yes	July 1, 2019	No	No
Dade	Village of South Greenfield	Yes	July 25, 2019	n/a	n/a
Franklin	Village of Oak Grove	Yes	July 23, 2019	n/a	n/a
Greene	City of Republic	**	June 25, 2019	Yes	**
	City of Walnut Grove	Yes	July 31, 2019	Yes	**
Harrison	City of Bethany	Yes	July 26, 2019	No	n/a
	City of Ridgeway	Yes	July 25, 2019	n/a	n/a
	Village of Eagleville	Yes	July 22, 2019	n/a	n/a
Holt	City of Forest City	Yes	July 10, 2019	No	n/a
Howell	City of Willow Springs	Yes	July 23, 2019	**	**
Jackson	City of Levasy	Yes	July 26, 2019	n/a	n/a
	City of Oak Grove	**	June 25, 2019	Yes	Yes
Jefferson	City of Kimmswick	Yes	July 24, 2019	n/a	n/a
Johnson	City of Knob Noster	Yes	July 29, 2019	**	No
Knox	City of Baring	Yes	July 31, 2019	n/a	n/a
Lafayette	City of Bates City	Yes	July 2, 2019	Yes	Yes
Lawrence	Village of Freistatt	Yes	July 23, 2019	No	n/a
Lewis	Village of East Fenway	Yes	July 30, 2019	n/a	n/a
Lincoln	City of Silex	Yes	July 29, 2019	No	n/a
Linn	City of Browning	Yes	July 26, 2019	No	n/a
Macon	City of Ethel	Yes	July 1, 2019	n/a	n/a
Madison	City of Marquand	Yes	July 1, 2019	No	n/a
McDonald	Town of Jane	Yes	July 3, 2019	n/a	n/a
Miller	City of Eldon	Yes	July 3, 2019	No	n/a
Monroe	Village of Stoutsville	Yes	July 31, 2019	n/a	n/a
Nodaway	Village of Guilford	Yes	July 27, 2019	No	n/a
Pettis	Village of Hughesville	Yes	July 25, 2019	n/a	n/a
Pike	Town of Paynesville	Yes	July 29, 2019	n/a	n/a
Platte	City of Weston	Yes	July 15, 2019	No	No
Pulaski	City of St. Robert	Yes	July 1, 2019	Yes	No
Ralls	City of Center	Yes	July 10, 2019	No	n/a

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in July 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Randolph	Village of Cairo	Yes	July 29, 2019	n/a	n/a
Saline	City of Gilliam	Yes	July 30, 2019	n/a	n/a
	City of Miami	Yes	July 13, 2019	n/a	n/a
Schuyler	Village of Glenwood	Yes	July 29, 2019	n/a	n/a
Scott	City of Morley	Yes	July 26, 2019	No	n/a
St. Charles	City of Cottleville	Yes	July 3, 2019	No	No
	City of St. Paul	Yes	July 25, 2019	n/a	n/a
St. Louis	City of St. Ann	**	June 28, 2019	Yes	**
	City of Sunset Hills	**	June 26, 2019	**	Yes
	Village of Glen Echo Park	Yes	July 31, 2019	No	**
	Village of Westwood	Yes	July 24, 2019	n/a	n/a
Sullivan	Village of Newtown	Yes	July 24, 2019	n/a	n/a
Texas	City of Houston	Yes	July 25, 2019	**	**
	Village of Raymondville	Yes	July 1, 2019	n/a	n/a
Vernon	City of Nevada	**	June 28, 2019	Yes	No
	Village of Deerfield	Yes	July 1, 2019	n/a	n/a
	Village of Stotesbury	Yes	July 30, 2019	n/a	n/a
Washington	Village of Caledonia	Yes	July 1, 2019	n/a	n/a
Total Filed		54		9	3

** Filed by June 30, 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Kinloch Fire Protection District

Report No. 2019-077

August 2019

auditor.mo.gov

Kinloch Fire Protection District
Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Board of Directors
Kinloch Fire Protection District

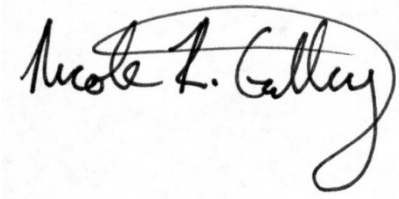
We have conducted follow-up work on audit report findings contained in Report No. 2018-038, *Kinloch Fire Protection District* (rated as Poor), issued in June 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the district about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by district officials and held discussions with officials to verify the status of implementation for the recommendations. Documentation provided by the district included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during April and May 2019.



Nicole R. Galloway, CPA
State Auditor

Kinloch Fire Protection District
Follow-Up Report on Audit Findings
Status of Findings

1. Misappropriated Monies

Between January 1, 2014, and March 20, 2017, district disbursements totaling at least $98,189 were improper or unsupported. Former Board President Jayna Small and former Fire Chief Darren Small, misappropriated approximately $72,484 through improper purchases and cash withdrawals from the district's bank account. In addition, documentation to support an additional $25,705 in unsupported disbursements during this period was not retained and the propriety or impropriety of these disbursements could not be determined.

Unsupported payments totaling $6,200 were made to the former Fire Chief and Fire Captains, with one check indicating the payment was for a bonus. These individuals served on a volunteer basis and were not compensated. Also, checks totaling $1,090 were issued to Board members for Board meeting attendance fees, but these payments were not subject to payroll and income tax withholdings or reported by the district on W-2 forms.

Recommendation

The Board of Directors should ensure the propriety of all district disbursements and ensure detailed documentation is obtained and retained to support all disbursements. The Board should take necessary action to recover the improperly disbursed monies. In addition, the Board should discontinue the practice of paying bonuses, ensure compensation paid is subject to proper withholdings, and procedures are established to prepare and file W-2 forms with the Internal Revenue Service (IRS) as required.

Status

In Progress

The Board of Directors has taken steps to ensure the propriety of all district disbursements. The Board is holding meetings on a regular basis, has adopted an accounting policy, and all checks are signed by 2 Board members. However, many of these steps were not initiated until after our initial follow-up contact with the district on February 8, 2019, to discuss the status of various findings and request documentation. In addition, as noted throughout the remainder of this report, further improvements are still necessary.

We confirmed the district is receiving restitution payments approximately monthly.

According to district personnel, neither district employees or Board members are receiving any compensation, including bonuses. Our review of the district's personnel listing and accounting records for the period of June 2018 through April 2019 confirmed that district employees or Board members received no bonus payments or other compensation during this period.

2. Board of Directors Oversight and Elections

The Board did not perform sufficient oversight of district accounting activities. In addition, the district did not comply with state law regarding the election and appointment of members to the Board.

2.1 Oversight

The Board did not establish adequate segregation of duties or review processes over the various financial accounting functions performed by the former Board President.

Recommendation

The Board of Directors segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, a documented periodic review of the district's accounting records should be performed, and monthly financial reports should be prepared and approved by the Board and filed with the Board minutes.

Status

Not Implemented

In February 2019, following our initial follow-up contact, district personnel drafted an accounting policy that indicates general oversight of the district finances and procedures are the responsibility of the Board of Directors and financial records will be reviewed monthly and annually. However, this policy was not formally approved by the Board until July 15, 2019, and follow up work shows the Board has not implemented the oversight responsibilities.

The district has not segregated accounting duties or implemented appropriate reviews and monitoring over various accounting functions. The district hired an accounting firm in June 2018 to provide bookkeeping services for the district. However, there is no indication the district's accounting records are periodically reviewed by the Board and monthly financial reports were not prepared by the accountant prior to December 31, 2018. Even though the Board started receiving such reports in 2019, meeting minutes do not indicate whether they are being reviewed and approved by the Board.

2.2 Board of Directors elections and appointments

The district did not hold elections for members of the Board, or appoint members due to vacancies, in compliance with state law. The district's Board consists of 3 directors who are elected to serve 6-year terms with one director elected biennially.

Recommendation

The Board of Directors ensure elections are held as authorized by state law and Board member vacancies are properly filled.

Status

Implemented

The district called for an election in April 2019 as required by state law to fill the Board director position for the term ending in April 2025.

2.3 Board Elections notification

District personnel did not notify the St. Louis County Board of Elections (BoE) that the district had called for any elections between 1991 and 2016. In the district's 2013 and 2015 elections, the number of candidates equaled the number of vacant board seats. Because these elections were not contested, no election (public vote) was required, however, the BoE was required to publish

notice of the candidates assuming office. Since the district did not notify the BoE about these elections this information was not published as required.

Recommendation

The Board of Directors work with the BoE to ensure that proper notice is published as required by state law.

Status

Implemented

District personnel notified the BoE that they called for an election in April 2019. We confirmed with the BoE that the district submitted all required documentation for the election.

3. Accounting Controls and Procedures

The district did not maintain adequate accounting records. In addition, controls and procedures over disbursements needed improvement.

3.1 Accounting records

The district did not maintain adequate accounting records. Receipt slips were not issued for monies received and a record of receipts was not maintained. In addition, a disbursement ledger was not maintained. Receipts and/or invoices to support disbursements were typically not retained. As a result of this lack of records, the district had no accounting records indicating the amount of cash available at any time and could not reconcile the district's accounting records to the bank.

Recommendation

The Board of Directors ensure prenumbered receipt slips are issued for all monies received and are reconciled to the composition of receipts recorded and deposited. In addition, the Board of Directors should ensure accounting records are maintained including a record of all receipts, disbursements, and cash balances, and monthly bank reconciliations are prepared and maintained for the district's bank account.

Status

Partially Implemented

District personnel indicated that prior to our initial follow-up contact all monies received by the district were given directly to the Fire Chief or other district personnel who transferred them to the Fire Chief for deposit into the district bank account. Receipt slips were not issued when monies were received or transferred to the Fire Chief.

Following our initial follow-up contact, district personnel drafted an accounting policy to address how monies received by the district should be handled and modified the district's receipting procedures. According to the revised procedures, all monies received are to be locked in a safe until a Board member is available to assist with preparing and making the deposit. Receipt slips are only required to be issued for cash receipts. Because district personnel do not issue receipt slips for all monies received, the Board cannot

ensure all monies received have been deposited and recorded in district accounting records or the composition of monies received are reconciled to the composition of deposits.

According to district personnel, bank reconciliations are prepared monthly by the accountant. We reviewed the May 31, 2019, bank reconciliation prepared on June 25, 2019, and noted the register balance as of June 25, 2019, per the bank reconciliation was overstated by approximately $6,950 due to the district's accounting records not being updated timely. We noted 13 checks issued between May 28, 2019 and June 11, 2019, and a deposit on June 10, 2019, had not been recorded in the district's accounting records as of June 25, 2019.

3.2 Disbursement review and approval process

The district's disbursement review and approval process needs significant improvement. The Board could not provide any documentation supporting review and approval of bills paid. In addition, the Board did not receive a copy of the district's bank statements for review.

Recommendation

The Board of Directors ensure complete lists of bills are prepared and the Board's approval is documented and retained. In addition, the Board of Directors should compare the approved list of bills to supporting documentation, canceled checks, and debit card transactions posted to the bank account to ensure disbursements are appropriate and adequately supported.

Status

Not Implemented

The Board is not provided and does not approve a complete list of bills presented for payment. Documentation of Board approval is limited to the signature of 2 Board members on individual checks issued for payment. There is no indication Board members review and approve individual invoices associated with the payment or ensure the disbursements are appropriate, adequately supported, and agree to amounts invoiced.

We reviewed 26 disbursements clearing the district's bank account in March 2019, and noted each check included the signature of 2 Board members. However, district personnel could not provide supporting documentation for 2 of the 26 disbursements. We reviewed the supporting documentation for the other 24 disbursements and noted the payee and amount disbursed per the check agreed to the supporting documentation.

3.3 District checks

The district does not have adequate controls over checks. Checks were not issued in numerical sequence and only 1 signature was required to issue checks.

Recommendation

The Board of Directors issue checks in numerical sequence, ensure the numerical sequence of checks is properly accounted for, and retain voided

checks. In addition, the Board of Directors should require dual signatures on all checks.

Status

Partially Implemented

Prior to our initial follow-up contact, the district did not issue checks in numerical sequence. We observed the district is retaining voided checks and checks included dual signatures.

In March 2019, district personnel indicated they began using one dedicated business checkbook to ensure checks are issued in numerical sequence. We reviewed the May 31, 2019, bank reconciliation and noted checks still appeared to be issued out of sequence. For example, the bank reconciliation and accounting records indicate check number 1288 was written on May 7, 2019, and check number 1278 was written on May 23, 2019. However, actual cleared check images show both checks were actually dated April 30, 2019. Checks were entered into accounting records when cleared rather than when written, hampering the district's ability to account for numerical sequence. We also noted check numbers are not always documented in the accounting records. Of 20 checks clearing the bank account in May 2019, the check number was recorded in only 11 instances.

3.4 Debit card

The district did not have a policy restricting or limiting the use of the district's debit card. Between January 1, 2014, and March 20, 2017, 1,366 of the 1,434 district disbursement transactions (95 percent) totaling approximately $147,000 were transacted using that card.

Recommendation

The Board of Directors adopt formal policies and procedures for debit card use and prohibit cash withdrawals of district funds.

Status

Implemented

District personnel indicated the district no longer uses a debit card. Following our initial follow-up contact, district personnel drafted an accounting policy that prohibits the use of debit cards or checks being made payable to cash, bearer, or an authorized signer. The Board formally approved the policy on July 15, 2019.

We reviewed bank statements for the period January 2019 to May 2019 and did not identify any cash withdrawals or debit card transactions.

3.5 Late fees

The former Board President did not ensure bills were paid timely resulting in the district incurring approximately $768 in late fees, convenience fees, reconnection fees, and other similar fees between January 1, 2014, and March 20, 2017.

Recommendation

The Board of Directors implement procedures to ensure bills are paid timely.

Status

Not Implemented

The Board has not established procedures to ensure bills are paid timely. The district's poor financial condition during the 3 months ended December 2018 limited district official's ability to pay outstanding bills. However, following the district's receipt of significant property tax revenues in January 2019, certain prior bills were still not paid timely. Our review of supporting documentation for the 24 disbursements with such documentation that cleared the district's bank account in March 2019 determined the district only paid 13 of them timely. The late paid bills included a payment of $125 for a training invoiced on September 24, 2018, due October 24, 2018, and paid on March 11, 2019 (138 days late). The district had incurred approximately $31 in late fees in March 2019 related to 4 of these payments. In addition, as of July 31, 2019, the district has not set up a payment plan with the State Auditor's Office (SAO) or made any payments toward the August 2018 audit billing.

3.6 1099-MISC forms

The district did not have procedures in place to prepare and file 1099-MISC forms with the IRS, as required.

Recommendation

The Board of Directors prepare and file 1099-MISC forms with the IRS as required.

Status

In Progress

The district did not file a 1099-MISC form with the IRS for accounting services obtained during 2018. Our review of other district expenditures during 2018 did not identify any other situations where a 1099-MISC form should have been filed. The district's accounting policy, formally approved on July 15, 2019, provides for monitoring and filing 1099-MISC forms as necessary.

4. Nepotism

In September 2014, Darren Small, the husband of former Board President Jayna Small, was appointed as Fire Chief for the district. The district did not prepare or could not locate Board meeting minutes documenting this appointment. As a result, it was unclear if the former Board President recused herself from participating in all Board discussions and/or voting for this appointment.

Recommendation

The Board of Directors ensure Board members abstain from voting when a relative's appointment is involved, and ensure compliance with the Missouri Constitution related to hiring relatives.

Status

Implemented

District personnel indicated no related party situations exist, including contracts, involving the Board members and/or firefighters. The district's accounting policy, formally approved on July 15, 2019, contains multiple statements regarding related parties, conflicts of interest, preferential treatment, and associated prohibited practices.

5. Procurement Procedures and Agreements

Controls and procedures over the district's bidding and written agreement procedures needed improvement.

5.1 Bidding

The district did not have a formal bidding policy and bids were not solicited for required purchases made between January 1, 2014, through March 31, 2017. In addition, while not specifically required by state law, the district did not solicit bids for other significant purchases such as comprehensive general and vehicle liability insurance.

The district entered into an agreement with the district's Assistant Fire Chief to complete plan reviews and inspections for commercial building construction without soliciting bids for these services.

Recommendation

The Board of Directors establish formal bidding policies and procedures, including documentation requirements regarding bid specifications, the bids or quotes received, and justification for bids selected. In addition, the Board of Directors should refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law and the selection process is documented.

Status

Partially Implemented

Following our initial follow-up contact, district personnel developed an accounting policy that includes bidding requirements and related documentation. The Board formally approved this policy on July 15, 2019.

We reviewed the accounting policy and noted it addresses the purchase of goods or services from a related party and requires the district to obtain at least one additional bid from an unrelated entity. The competitive bidding requirements in the policy do not comply with statutory provisions because there is no requirement for the district to publish notice for bids for certain expenditures of $10,000 or more.

In addition, we reviewed district expenditures made between January 2019 and May 2019 for any significant expenditures requiring bidding, and identified the district purchased a Fire Chief command vehicle for $13,515 in March 2019. District personnel obtained 3 bids in accordance with the accounting policy, but the Board did not document its justification for selecting the highest bid received. District personnel told us recently they

contacted 3 CPA firms about performing the district's required biennial audit. On June 25, 2019, the district entered into an agreement with one of the firms to conduct the audit at an anticipated cost in excess of $10,000. The district did not publish notice for bids for this service as required by law. Our review did not identify any situations where the Board entered into business transactions with related parties.

5.2 Written agreements

The district entered into agreements with a local consulting firm in 2015 and the Assistant Fire Chief in 2016 to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. These agreements lacked clear and comprehensive guidelines, timeframes, and/or locations or projects associated with each agreement. In addition, the district fully paid both permit inspection agreements prior to services being fully rendered.

Recommendation

The Board of Directors enter into signed, written agreements defining the scope of services to be provided, benefits to be received, and the manner and amount of compensation to be paid. In addition, the Board of Directors should refrain from making payments for services not substantially rendered.

Status

In Progress

District personnel indicated since April 2018, the district had entered into written agreements with a local fire protection district to provide fire marshal services for the district and an accounting firm to provide bookkeeping services. We reviewed these agreements and noted neither had been signed and the agreement with the local fire protection district did not include a fee schedule. However, in February 2019, following our initial follow-up contact, the district modified the scope of services to be provided by the accountant, and a new agreement was signed by the Board.

At its May 24, 2019, meeting the Board voted to terminate the agreement with the local fire protection district and enter into a written agreement with a local consulting firm to complete plan reviews and inspections for commercial building construction occurring within the fire protection district. The Board signed this agreement on August 12, 2019.

The district's accounting policy, formally approved on July 15, 2019, requires all conditions and specifications of a contract or order to be satisfactorily fulfilled prior to authorizing payment.

5.3 Loan

The district improperly paid for trash services for the City of Kinloch and the city still owed the district $331 for payments made on the city's behalf for these services.

Recommendation

The Board of Directors prohibit lending of district funds, and pursue reimbursement from the city for unreimbursed payments.

Status

In Progress

Prior to our initial follow-up contact, the district had not adopted a policy prohibiting lending of district funds. However, following this contact, district officials formally approved an accounting policy on July 15, 2019, that indicates purchases for other organizations is prohibited.

On May 17, 2019, district personnel acknowledged no action had been taken to pursue reimbursement from the city for unreimbursed trash services paid on behalf of the city. On May 21, 2019, district personnel contacted the city to request the reimbursement. As of August 12, 2019, the district has not been reimbursed.

6. Budgets and Financial Reporting

Annual budgets were not prepared for district funds and significant improvement was needed in financial reporting practices.

6.1 Budgets

The district did not prepare annual budgets for district funds as required by state law.

Recommendation

The Board of Directors prepare annual budgets that include all information required by state law, and ensure the budget is formally approved and the approval is documented in the Board minutes.

Status

Not Implemented

The Board did not approve the annual budget for fiscal year 2019 until July 15, 2019. According to district personnel, the proposed budget had been developed in December 2018, but not formally reviewed or approved by the Board.

We reviewed the approved budget and noted it did not include the required comparative statement of revenues and expenditures for the 2 prior years, budget message, or general budget summary. In addition, the total estimated expenditures per the budget was not reasonable. According to district bank statements, the district expended almost $85,000 between January 1, 2019, and May 31, 2019. However, according to the approved budget, total expenditures for 2019 were estimated to be approximately $57,156. As of May 31, 2019, the district had already exceeded the approved budget by almost $28,000.

Our review of the approved budget noted the district had only budgeted $5,000 for insurance coverage, however, as of May 31, 2019, the district had already paid approximately $15,000 for this coverage. In addition, the district purchased a vehicle in March 2019 for $13,515, however, this vehicle purchase was not included in the approved budget.

6.2 Financial reporting

The district did not submit a financial report to the SAO as required by state law for the year ended December 31, 2016. Financial reports submitted to the SAO for certain previous years were inaccurate. In addition, the district had not filed financial statements with the St. Louis County Clerk's office as required by state law since 1977.

Recommendation

The Board of Directors file accurate financial reports with the SAO and the St. Louis County Clerk's office annually as required by state law.

Status

Implemented

The district submitted a financial report to the SAO for the year ended December 31, 2017, on August 1, 2018, and for the year ended December 31, 2018, on April 23, 2019. Our review of the financial report submitted for the year ended December 31, 2017, identified errors in information reported. Based on our review and discussion with the district accountant, district personnel revised the financial report for the year ended December 31, 2017, and resubmitted it on April 23, 2019. District personnel filed the 2018 financial statements with the St. Louis County Clerk's office on August 13, 2019.

6.3 Audits

The district did not obtain an independent audit of its financial statements as required by state law for the years ended December 31, 2015, and December 31, 2016.

Recommendation

The Board of Directors ensure audits of financial statements are completed and filed with the SAO as required by state law.

Status

In Progress

Prior to our initial follow-up contact, the district had not taken steps to secure a financial audit for the 2 fiscal years ended December 31, 2018. In May 2019, following additional inquiries by our office, the Fire Chief contacted three CPA firms to conduct the required audit. On June 25, 2019, the district accepted an audit proposal from one of the firms and signed an engagement letter.

7. Capital Assets and Fuel and Vehicle Usage

Controls and procedures over the district's property and fuel and vehicle usage needed improvement. In addition, a vehicle donated to the district was not titled or registered with the Missouri Department of Revenue (DOR) in the district's name.

7.1 Capital assets

The district did not maintain records of capital assets, including a fire truck, district vehicle, equipment, and other district property. In addition, district personnel did not tag assets for specific identification or perform physical inventories on a periodic basis.

Recommendation

The Board of Directors ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board of Directors should also ensure assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

Status

In Progress

Prior to our initial follow-up contact, district personnel had not prepared a comprehensive list of the district's capital assets or established procedures to tag assets or perform physical inventories. Since that time they have created an accounting policy that establishes procedures for tracking, tagging, and performing annual inventories of capital assets costing more than $5,000 and this policy was formally approved by the Board on July 15, 2019.

7.2 Fuel and vehicle usage

The district had not established effective monitoring procedures over fuel and vehicle usage. The district maintained a fuel log for the fire truck, but fuel purchases were not consistently documented in this log. The district did not maintain a fuel log for the other district vehicle, which was driven exclusively by the former Fire Chief during the audit period. In addition, vehicle usage logs were not documented for either vehicle.

Recommendation

The Board of Directors establish adequate records and procedures to effectively monitor vehicle and fuel use.

Status

Not Implemented

The district has not established adequate records or procedures to monitor fuel and vehicle use. While the district placed fuel logs in district vehicles on August 4, 2019, the district does not require vehicle usage to be documented for all district vehicles, including the fire truck or vehicles used exclusively by the Fire Chief and/or Assistant Fire Chief.

7.3 Commuting miles

The district did not report the value of personal (commuting) mileage for the former Fire Chief's personal use of an unmarked district vehicle on his W-2 forms as required by the IRS, and a vehicle usage log indicating business and personal use of the vehicle was not maintained.

Recommendation

The Board of Directors comply with IRS guidelines for reporting fringe benefits related to personal miles and require logs that distinguish between business and personal use.

Status

Not Implemented

District vehicles are now marked, but vehicle logs documenting business and personal use are not maintained. Personal use of district vehicles was not reported for 2018, as required by IRS reporting guidelines.

7.4 Vehicle title and registration

The district failed to title and register a vehicle donated to the district with the DOR.

Recommendation

The Board of Directors ensure district vehicles are properly titled and registered with the DOR as required by law.

Status

In Progress

As of August 12, 2019, this district vehicle had not been properly titled and registered with the DOR. District personnel indicated they have been communicating with the donating district and the DOR to try to resolve this issue. Two additional vehicles purchased by the district in July 2017 and March 2019 were properly titled and registered in the district's name.

8 Sunshine Law, Compliance, and Bylaws

The district did not always ensure compliance with the Sunshine Law, and the district did not obtain surety bonds for Board members. Written guidelines for the administration of the district were not developed and maintained.

8.1 Meeting minutes and notices

District personnel did not prepare or could not locate meeting notices, tentative agendas, or minutes for any Board meetings or tax hearings occurring after September 26, 2013, and prior to March 28, 2017. In addition, they could not provide documentation the district's tax rates were formally approved by the Board.

Recommendation

The Board of Directors maintain complete and accurate minutes for all meetings and ensure proper notification and agendas for public meetings are given. In addition, a public hearing should be held annually to determine and set the property tax levy.

Status

Partially Implemented

District personnel indicated Board meetings are held monthly and the district notifies the public of these meetings on its website and by posting notices at the fire station. In addition, they indicated a public hearing was held to set the property tax levy in September 2018.

During our initial follow-up contact with the district, we requested district personnel provide copies of all Board meeting minutes and associated notices and agendas for meetings held between June 2018 and January 2019 by February 15, 2019. However, this information was not provided to our office until February 26, 2019, March 9, 2019, and April 16, 2019. Due to the

significant delays in obtaining these records, we extended our request to include Board meeting minutes through March 2019. District personnel indicated while monthly Board meetings had been recorded, written minutes had not been prepared for these meetings prior to our initial request. In addition, they indicated minutes for the March 2019 Board meeting could not be prepared because the Board failed to record this meeting. District personnel could not provide meeting notices or agendas for all Board meetings held during the time period requested.

None of the minutes provided were signed by the preparer or Board members, but all minutes noted Board members had reviewed and approved the minutes for the prior meeting. This statement cannot be accurate because no one prepared written minutes prior to the next meeting for meetings that occurred prior to February 2019.

The Board held a September 2018 tax rate hearing and prepared minutes documenting the meeting. Two additional meetings occurred in October to modify the district's tax rates for 2018, but no one prepared minutes to document these meetings.

8.2 Public access policy

The district had not adopted a written policy regarding public access to district records as required by state law.

Recommendation

The Board of Directors develop written policies regarding procedures to obtain access to, or copies of, public records.

Status

Not Implemented

The district has not developed written policies regarding procedures to obtain access to, or copies of, public records. District personnel indicated the Board intends to make meeting minutes publicly available on the district's website, but had no plans regarding other district records that would also be considered public records.

8.3 Surety bonds

The district had not obtained corporate surety bonds for Board members, or filed these bonds with the St. Louis County Circuit Clerk.

Recommendation

The Board of Directors obtain and file corporate surety bonds with the Circuit Clerk as required by law.

Status

Partially Implemented

At the time of our initial follow-up contact, Board members had not obtained corporate surety bonds. However, on April 22, 2019, the district modified its insurance policy to include public official liability coverage, to fulfill the surety bond requirement. According to the St. Louis County Circuit Clerk's

office, as of August 12, 2019, the district had not filed this information with the Circuit Clerk as required by law.

8.4 Bylaws

The district did not have up-to-date and comprehensive bylaws. In addition, the Board did not maintain ordinances and resolutions in an organized manner and signed copies of ordinances and resolutions documenting Board approval were not always retained.

Recommendation

The Board of Directors ensure up-to-date bylaws are documented and are readily available to employees and the public. In addition, maintain a complete updated set of district ordinances and resolutions in an organized manner and ensure a signed copy of all district ordinances and resolutions are retained.

Status

Not Implemented

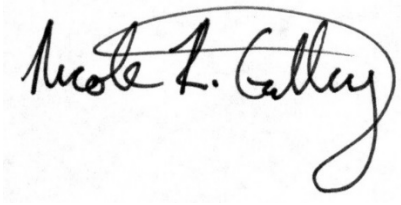
District officials have not adopted bylaws and have not organized the district's ordinances and resolutions or ensured all approved versions are available.

We requested copies of all ordinances or resolutions the district passed since June 2018. District personnel could only provide a copy of one resolution passed in September 2018, establishing the 2018 tax rates. However, this resolution was modified in October 2018 and the final resolution was not provided.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Madison County, Missouri

The Office of the State Auditor contracted for an audit of Madison County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-076

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Madison, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Madison (County), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2019, on our consideration of the County of Madison's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Madison's internal control over financial reporting and compliance.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 1, 2019

FINANCIAL STATEMENTS

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT BALANCES DECEMBER 31, 2018
General Revenue Fund	$ 109,877.40	$ 1,230,670.12	$ 1,212,960.24	$ 127,587.28
Special Road and Bridge Fund	245,814.65	1,827,560.03	1,827,554.60	245,820.08
Assessment Fund	13,925.08	193,294.35	192,179.77	15,039.66
911 Fund	5,317.36	304,361.31	302,392.75	7,285.92
Law Enforcement Sales Tax Fund	85,649.25	896,809.17	973,515.25	8,943.17
Law Enforcement Training Fund	2,349.17	2,718.27	3,939.92	1,127.52
Restitution Fund	14,130.56	31,423.32	35,808.82	9,745.06
User Fee Fund	15,408.09	21,265.00	21,610.95	15,062.14
Over Under Fund	434.63	5.10	-	439.73
Domestic Violence Fund	2,031.43	1,224.04	1,000.00	2,255.47
Prosecuting Attorney Training Fund	819.68	453.03	559.37	713.34
Prosecuting Attorney Administrative Handling Fund	44,295.16	5,472.33	9,825.40	39,942.09
Tax Increment Fund	232,905.53	951,989.94	652,688.52	532,206.95
Madison County Sheriff's Office Fund	1,714.09	-	1,532.97	181.12
Inmate Security Fund	7,028.33	3,966.27	600.00	10,394.60
Sheriff's Revolving Fund	19,595.45	3,381.95	17,100.28	5,877.12
Health Grant Fund	29,220.22	12,747.55	41,967.77	-
TIF Reserve Fund	175,000.00	-	-	175,000.00
Tax Maintenance Fund	13,589.12	20,526.53	32,399.73	1,715.92
Senate Bill 40 Board Fund	192,809.67	250,775.25	249,604.12	193,980.80
TOTAL	$ 1,211,914.87	$ 5,758,643.56	$ 5,577,240.46	$ 1,393,317.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH AND INVESTMENT BALANCES DECEMBER 31, 2017
General Revenue Fund	$ 18,961.22	$ 1,499,123.80	$ 1,408,207.62	$ 109,877.40
Special Road and Bridge Fund	258,214.42	1,991,269.43	2,003,669.20	245,814.65
Assessment Fund	1,725.32	198,839.58	186,639.82	13,925.08
911 Fund	4,405.21	303,541.20	302,629.05	5,317.36
Law Enforcement Sales Tax Fund	92,665.05	875,336.34	882,352.14	85,649.25
Law Enforcement Training Fund	2,037.36	2,907.09	2,595.28	2,349.17
Restitution Fund	61,048.47	41,392.47	88,310.38	14,130.56
User Fee Fund	11,388.01	20,545.48	16,525.40	15,408.09
Over Under Fund	422.93	11.70	-	434.63
Domestic Violence Fund	2,111.24	915.82	995.63	2,031.43
Prosecuting Attorney Training Fund	310.67	509.01	-	819.68
Prosecuting Attorney Administrative Handling Fund	49,220.58	6,012.98	10,938.40	44,295.16
Tax Increment Fund	209,718.28	665,647.80	642,460.55	232,905.53
Madison County Sheriff's Office Fund	2,925.00	5.00	1,215.91	1,714.09
Inmate Security Fund	6,066.41	4,662.59	3,700.67	7,028.33
Sheriff's Revolving Fund	24,782.09	3,616.11	8,802.75	19,595.45
Health Grant Fund	51,179.97	41,117.00	63,076.75	29,220.22
TIF Reserve Fund	175,000.00	-	-	175,000.00
Tax Maintenance Fund	9,733.29	21,746.20	17,890.37	13,589.12
Senate Bill 40 Board Fund	77,243.39	279,531.07	163,964.79	192,809.67
TOTAL	$ 1,059,158.91	$ 5,956,730.67	$ 5,803,974.71	$ 1,211,914.87

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 183,000.00	$ 167,330.22	$ 150,000.00	$ 162,629.63
Sales Taxes	620,000.00	610,064.20	600,000.00	607,743.24
Intergovernmental	132,311.00	61,032.10	62,284.34	499,721.61
Charges for Services	198,217.00	236,237.29	265,659.00	99,095.20
Interest	150.00	429.31	45.00	160.12
Other	-	-	-	-
Transfers In	118,000.00	155,577.00	126,732.00	129,774.00
TOTAL RECEIPTS	1,251,678.00	1,230,670.12	1,204,720.34	1,499,123.80
DISBURSEMENTS				
County Commission	84,341.60	45,423.27	82,280.00	82,569.14
County Clerk	89,916.20	60,510.32	89,160.00	84,800.11
Elections	76,800.00	50,634.96	29,700.00	17,159.79
Buildings and Grounds	251,793.00	242,152.14	239,357.00	217,563.06
Employee Fringe Benefits	161,800.00	314,965.97	141,525.00	147,394.86
County Treasurer	44,090.80	32,561.28	43,110.00	41,401.30
Collector	69,681.21	57,435.85	74,993.60	68,096.66
Recorder of Deeds	84,754.40	58,818.94	81,821.60	81,269.59
Circuit Clerk	35,816.00	25,978.57	27,000.00	20,706.50
Court Administration	7,200.00	-	5,832.00	7,032.00
Public Administrator	36,566.80	23,441.71	36,358.00	29,449.49
Prosecuting Attorney	103,743.20	81,914.46	101,575.40	100,201.39
Coroner	47,210.80	36,063.77	46,525.00	34,994.76
Public Defender	-	3,059.00	3,100.00	3,091.32
Land Purchase	10,000.00	-	-	10,000.00
Other	-	-	-	-
Transfers Out	180,000.00	180,000.00	216,117.00	462,477.65
Emergency Fund	50,000.00	-	1,562.00	-
TOTAL DISBURSEMENTS	1,333,714.01	1,212,960.24	1,220,016.60	1,408,207.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	(82,036.01)	17,709.88	(15,296.26)	90,916.18
CASH AND INVESTMENT BALANCES, JANUARY 1	109,877.40	109,877.40	18,961.22	18,961.22
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 27,841.39	$ 127,587.28	$ 3,664.96	$ 109,877.40

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 360,000.00	$ 335,750.80	$ 350,000.00	$ 344,368.64
Sales Taxes	560,000.00	552,345.15	544,000.00	556,684.22
Intergovernmental	968,200.00	931,618.08	1,100,950.00	1,089,601.92
Charges for Services	200.00	6,881.80	2,850.00	69.00
Interest	400.00	964.20	400.00	545.65
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,888,800.00	1,827,560.03	1,998,200.00	1,991,269.43
DISBURSEMENTS				
Salaries	315,000.00	225,620.05	325,000.00	304,779.00
Employee Fringe Benefits	85,150.00	164,228.58	87,350.00	81,355.10
Supplies	130,100.00	128,263.28	128,500.00	126,628.27
Insurance	44,000.00	58,470.61	75,200.00	40,232.88
Road and Bridge Materials	520,000.00	398,360.16	412,000.00	385,317.08
Equipment Repairs	85,000.00	68,907.44	61,000.00	82,503.44
Rentals	8,500.00	-	6,000.00	8,450.00
Equipment Purchases	393,076.00	439,666.01	230,500.00	145,266.11
Road and Bridge Construction	71,800.00	117,404.28	591,500.00	583,248.85
Office Expense	26,020.00	21,959.35	26,220.00	19,087.82
TIF Expense	84,000.00	94,418.24	84,000.00	79,123.68
Debt Service	-	-	80,000.00	-
Transfers Out	153,000.00	110,256.60	110,000.00	147,676.97
TOTAL DISBURSEMENTS	1,915,646.00	1,827,554.60	2,217,270.00	2,003,669.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(26,846.00)	5.43	(219,070.00)	(12,399.77)
CASH AND INVESTMENT BALANCES, JANUARY 1	245,814.65	245,814.65	258,214.42	258,214.42
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 218,968.65	$ 245,820.08	$ 39,144.42	$ 245,814.65

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
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CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				911 FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	164,000.00	146,384.23	158,653.00	156,682.79	90,150.00	90,116.09	100,000.00	95,101.45
Charges for Services	2,150.00	6,775.18	5,487.00	2,114.00	74,200.00	74,200.00	73,800.00	73,400.00
Interest	40.00	134.94	18.00	42.79	20.00	45.22	14.00	39.75
Other	-	-	-	-	-	-	-	-
Transfers In	40,000.00	40,000.00	40,000.00	40,000.00	140,000.00	140,000.00	135,000.00	135,000.00
TOTAL RECEIPTS	206,190.00	193,294.35	204,158.00	198,839.58	304,370.00	304,361.31	308,814.00	303,541.20
DISBURSEMENTS								
Insurance	3,600.00	-	3,600.00	3,586.00	1,700.00	1,434.96	2,700.00	1,620.57
Salaries	122,524.80	80,410.35	114,741.60	102,159.75	195,000.00	152,982.02	200,000.00	186,829.52
Fringe Benefits	32,081.00	54,784.31	32,000.00	24,875.62	56,925.00	92,244.34	56,700.00	55,195.04
Office Expense	52,810.00	54,573.72	47,297.50	51,932.63	-	45,481.22	42,900.00	51,576.51
Radio Equipment	-	-	-	-	-	9,030.68	7,500.00	6,980.46
Mileage and Training	5,000.00	2,411.39	8,000.00	4,085.82	500.00	1,219.53	3,000.00	426.95
TOTAL DISBURSEMENTS	216,015.80	192,179.77	205,639.10	186,639.82	254,125.00	302,392.75	312,800.00	302,629.05
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,825.80)	1,114.58	(1,481.10)	12,199.76	50,245.00	1,968.56	(3,986.00)	912.15
CASH AND INVESTMENT BALANCES, JANUARY 1	13,925.08	13,925.08	1,725.32	1,725.32	5,317.36	5,317.36	4,405.21	4,405.21
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 4,099.28	$ 15,039.66	$ 244.22	$ 13,925.08	$ 55,562.36	$ 7,285.92	$ 419.21	$ 5,317.36

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
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YEARS ENDED DECEMBER 31, 2018 AND 2017

	LAW ENFORCEMENT SALES TAX FUND				LAW ENFORCEMENT TRAINING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ 620,000.00	$ 609,831.73	$ 600,000.00	$ 607,489.20	$ -	$ -	$ -	$ -
Intergovernmental	186,783.40	193,783.13	126,300.00	137,245.45	3,350.00	2,714.43	3,950.00	2,905.18
Charges for Services	15,000.00	20,790.92	28,800.00	20,804.53	-	-	-	-
Interest	150.00	146.79	21.00	120.19	31.95	3.84	0.50	1.91
Other	-	-	-	-	-	-	-	-
Transfers In	79,000.00	72,256.60	115,000.00	109,676.97	-	-	-	-
TOTAL RECEIPTS	900,933.40	896,809.17	870,121.00	875,336.34	3,381.95	2,718.27	3,950.50	2,907.09
DISBURSEMENTS								
Salaries	374,200.80	286,344.39	348,316.00	335,550.98	-	-	-	-
Fringe Benefits	100,700.00	164,472.40	102,400.00	91,055.75	-	-	-	-
Office Expense	30,950.00	36,689.46	27,175.00	24,873.87	-	-	-	-
Jail	98,830.00	110,440.58	119,750.00	100,199.49	-	-	-	-
Building and Grounds	132,653.00	164,735.99	138,541.00	139,506.15	-	-	-	-
Repairs and Maintenance	21,000.00	8,184.54	21,000.00	21,724.93	-	-	-	-
Juvenile Office	48,200.00	48,869.64	49,700.00	48,231.73	-	-	-	-
Fuel	30,000.00	32,182.39	32,000.00	26,280.74	-	-	-	-
Mileage and Training	3,200.00	4,018.86	2,500.00	3,154.50	4,150.00	3,939.92	5,950.00	2,595.28
Equipment	40,000.00	-	-	-	-	-	-	-
Transfers Out	92,000.00	117,577.00	79,000.00	91,774.00	-	-	-	-
TOTAL DISBURSEMENTS	971,733.80	973,515.25	920,382.00	882,352.14	4,150.00	3,939.92	5,950.00	2,595.28
RECEIPTS OVER (UNDER) DISBURSEMENTS	(70,800.40)	(76,706.08)	(50,261.00)	(7,015.80)	(768.05)	(1,221.65)	(1,999.50)	311.81
CASH AND INVESTMENT BALANCES, JANUARY 1	85,649.25	85,649.25	92,665.05	92,665.05	2,349.17	2,349.17	2,037.36	2,037.36
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 14,848.85	$ 8,943.17	$ 42,404.05	$ 85,649.25	$ 1,581.12	$ 1,127.52	$ 37.86	$ 2,349.17

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	RESTITUTION FUND				USER FEE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ 8,184.00	$ -	$ -	$ -	$ -
Charges for Services	45,000.00	31,387.00	45,000.00	33,191.00	7,950.00	21,216.50	22,300.00	20,513.60
Interest	25.00	36.32	30.00	17.47	35.00	48.50	11.00	31.88
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	45,025.00	31,423.32	45,030.00	41,392.47	7,985.00	21,265.00	22,311.00	20,545.48
DISBURSEMENTS								
Equipment	59,000.00	35,808.82	93,000.00	88,310.38	16,800.00	15,994.95	19,300.00	10,909.40
Salaries	-	-	-	-	5,616.00	5,616.00	5,616.00	5,616.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	59,000.00	35,808.82	93,000.00	88,310.38	22,416.00	21,610.95	24,916.00	16,525.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,975.00)	(4,385.50)	(47,970.00)	(46,917.91)	(14,431.00)	(345.95)	(2,605.00)	4,020.08
CASH AND INVESTMENT BALANCES, JANUARY 1	14,130.56	14,130.56	61,048.47	61,048.47	15,408.09	15,408.09	11,388.01	11,388.01
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 155.56	$ 9,745.06	$ 13,078.47	$ 14,130.56	$ 977.09	$ 15,062.14	$ 8,783.01	$ 15,408.09

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	OVER UNDER FUND				DOMESTIC VIOLENCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 11.00	$ 4.00	$ 30.00	$ 11.00	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	900.00	1,218.00	1,100.00	912.00
Interest	0.50	1.10	0.20	0.70	2.50	6.04	1.00	3.82
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11.50	5.10	30.20	11.70	902.50	1,224.04	1,101.00	915.82
DISBURSEMENTS								
Supplies	300.00	-	300.00	-	2,000.00	1,000.00	2,000.00	995.63
TOTAL DISBURSEMENTS	300.00	-	300.00	-	2,000.00	1,000.00	2,000.00	995.63
RECEIPTS OVER (UNDER) DISBURSEMENTS	(288.50)	5.10	(269.80)	11.70	(1,097.50)	224.04	(899.00)	(79.81)
CASH AND INVESTMENT BALANCES, JANUARY 1	434.63	434.63	422.93	422.93	2,031.43	2,031.43	2,111.24	2,111.24
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 146.13	$ 439.73	$ 153.13	$ 434.63	$ 933.93	$ 2,255.47	$ 1,212.24	$ 2,031.43

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	525.00	450.86	650.00	507.58	900.00	1,100.00	1,000.00	864.00
Charges for Services	-	-	-	-	4,500.00	4,265.00	6,200.00	5,075.00
Interest	1.50	2.17	0.25	1.43	75.00	107.33	8.00	73.98
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	526.50	453.03	650.25	509.01	5,475.00	5,472.33	7,208.00	6,012.98
DISBURSEMENTS								
Mileage/Training	800.00	559.37	950.00	-	5,000.00	2,159.40	5,000.00	-
Office Expense	-	-	-	-	1,500.00	766.00	1,500.00	3,288.40
Processing Fees	-	-	-	-	25,000.00	6,900.00	42,500.00	7,650.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	800.00	559.37	950.00	-	31,500.00	9,825.40	49,000.00	10,938.40
RECEIPTS OVER (UNDER) DISBURSEMENTS	(273.50)	(106.34)	(299.75)	509.01	(26,025.00)	(4,353.07)	(41,792.00)	(4,925.42)
CASH AND INVESTMENT BALANCES, JANUARY 1	819.68	819.68	310.67	310.67	44,295.16	44,295.16	49,220.58	49,220.58
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 546.18	$ 713.34	$ 10.92	$ 819.68	$ 18,270.16	$ 39,942.09	$ 7,428.58	$ 44,295.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
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YEARS ENDED DECEMBER 31, 2018 AND 2017

	TAX INCREMENT FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ 430,000.00	$ 951,989.94	$ 775,000.00	$ 378,155.70
Charges for Services	-	-	-	-
Interest	15.00	-	-	14.45
Transfers In	210,000.00	-	-	287,477.65
TOTAL RECEIPTS	640,015.00	951,989.94	775,000.00	665,647.80
DISBURSEMENTS				
Administrative Services	10,140.00	10,000.00	10,140.00	10,119.45
Debt Service	750,000.00	642,688.52	750,000.00	632,341.10
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	760,140.00	652,688.52	760,140.00	642,460.55
RECEIPTS OVER (UNDER) DISBURSEMENTS	(120,125.00)	299,301.42	14,860.00	23,187.25
CASH AND INVESTMENT BALANCES, JANUARY 1	232,905.53	232,905.53	209,718.28	209,718.28
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 112,780.53	$ 532,206.95	$ 224,578.28	$ 232,905.53

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	MADISON COUNTY SHERIFF'S OFFICE FUND			
	2017		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ -	$ -	$ 10,000.00	$ 5.00
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
TOTAL RECEIPTS	-	-	10,000.00	5.00
DISBURSEMENTS				
Equipment	-	1,532.97	10,000.00	1,215.91
Refunds	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	-	1,532.97	10,000.00	1,215.91
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(1,532.97)	-	(1,210.91)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,714.09	1,714.09	2,925.00	2,925.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,714.09	$ 181.12	$ 2,925.00	$ 1,714.09

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
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BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	INMATE SECURITY FUND				SHERIFF'S REVOLVING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 4,500.00	$ 3,943.50	$ 5,500.00	$ 4,653.57	$ 4,000.00	$ 3,350.00	$ 4,000.00	$ 3,582.00
Interest	9.00	22.77	2.75	9.02	30.00	31.95	22.00	34.11
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,509.00	3,966.27	5,502.75	4,662.59	4,030.00	3,381.95	4,022.00	3,616.11
DISBURSEMENTS								
MULES Data	-	-	-	-	6,000.00	7,380.00	6,000.00	8,190.00
Office Expense	4,000.00	-	4,000.00	3,700.67	6,100.00	1,168.00	6,050.00	612.75
Repairs	4,000.00	600.00	4,000.00	-	-	-	-	-
Salaries	-	-	-	-	4,000.00	8,552.28	4,000.00	-
TOTAL DISBURSEMENTS	8,000.00	600.00	8,000.00	3,700.67	16,100.00	17,100.28	16,050.00	8,802.75
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,491.00)	3,366.27	(2,497.25)	961.92	(12,070.00)	(13,718.33)	(12,028.00)	(5,186.64)
CASH AND INVESTMENT BALANCES, JANUARY 1	7,028.33	7,028.33	6,066.41	6,066.41	19,595.45	19,595.45	24,782.09	24,782.09
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 3,537.33	$ 10,394.60	$ 3,569.16	$ 7,028.33	$ 7,525.45	$ 5,877.12	$ 12,754.09	$ 19,595.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	HEALTH GRANT FUND				TIF RESERVE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 50,000.00	$ 12,747.55	$ 100,000.00	$ 41,117.00	$ 175,000.00	$ -	$ 175,000.00	$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	50,000.00	12,747.55	100,000.00	41,117.00	175,000.00	-	175,000.00	-
DISBURSEMENTS								
Equipment	50,000.00	41,967.77	30,000.00	63,076.75	-	-	-	-
Debt Service	-	-	-	-	175,000.00	-	175,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	50,000.00	41,967.77	30,000.00	63,076.75	175,000.00	-	175,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(29,220.22)	70,000.00	(21,959.75)	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	29,220.22	29,220.22	51,179.97	51,179.97	175,000.00	175,000.00	175,000.00	175,000.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 29,220.22	$ -	$ 121,179.97	$ 29,220.22	$ 175,000.00	$ 175,000.00	$ 175,000.00	$ 175,000.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	TAX MAINTENANCE FUND				SENATE BILL 40 BOARD FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ 227,000.00	$ 239,811.50	$ 223,000.00	$ 279,343.21
Intergovernmental	-	-	-	-	-	1,000.00	-	-
Charges for Services	23,900.00	20,503.07	20,000.00	21,718.04	9,000.00	8,450.00	-	-
Interest	34.00	23.46	12.00	28.16	750.00	1,513.75	499.98	187.86
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	23,934.00	20,526.53	20,012.00	21,746.20	236,750.00	250,775.25	223,499.98	279,531.07
DISBURSEMENTS								
Office Expense	1,500.00	15,688.92	5,000.00	935.27	3,250.00	1,658.59	3,122.48	2,811.96
Advertising	-	-	-	-	-	-	99.98	-
Insurance	-	-	-	-	-	-	600.00	1,851.08
Transportation - Contract	-	-	-	-	34,500.00	15,042.29	46,500.00	31,018.67
Waiver Match	-	-	-	-	5,000.00	3,779.71	2,000.02	1,863.59
POS - MCSW	-	-	-	-	84,500.00	169,687.50	78,500.00	91,921.00
Special Projects	-	-	-	-	23,500.00	2,074.50	59,027.46	18,118.41
Repairs and Maintenance	-	-	-	-	5,000.00	4,256.78	-	-
Debt Service	-	-	-	-	8,333.50	49,869.74	-	-
Wages	-	-	-	-	24,000.00	-	-	-
Benefits	-	-	-	-	6,000.00	-	-	-
Computer Expenditures	30,000.00	14,119.25	15,000.00	13,175.26	-	-	-	-
Professional Services	1,500.00	1,033.50	500.00	1,422.00	6,500.00	2,546.09	28,400.00	14,843.36
Mileage/Training	2,500.00	1,558.06	2,500.00	2,357.84	4,600.00	688.92	1,249.98	1,536.72
Equipment	2,000.00	-	5,000.00	-	12,500.00	-	12,500.00	-
TOTAL DISBURSEMENTS	37,500.00	32,399.73	28,000.00	17,890.37	217,683.50	249,604.12	231,999.92	163,964.79
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,566.00)	(11,873.20)	(7,988.00)	3,855.83	19,066.50	1,171.13	(8,499.94)	115,566.28
CASH AND INVESTMENT BALANCES, JANUARY 1	13,589.12	13,589.12	9,733.29	9,733.29	192,809.67	192,809.67	77,243.39	77,243.39
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 23.12	$ 1,715.92	$ 1,745.29	$ 13,589.12	$ 211,876.17	$ 193,980.80	$ 68,743.45	$ 192,809.67

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	Prosecuting Attorney Account	Sheriff	Capital School Savings	CERF	Collector Protested Account	District School Checking
ASSETS						
Cash and Cash Equivalents	$ -	$ 1,585.83	$ 27,476.86	$ 0.82	$ 26,156.72	$ 52.81
Total Assets	-	1,585.83	27,476.86	0.82	26,156.72	52.81
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	1,585.83	27,476.86	0.82	26,156.72	52.81
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 1,585.83	$ 27,476.86	$ 0.82	$ 26,156.72	$ 52.81

	Ozark Regional Library Checking	Collector	Wire Transfer	Recorder of Deeds	Jail Commissary	PA Restitution Account
ASSETS						
Cash and Cash Equivalents	$ 1.80	$ 6,029,614.99	$ -	$ 8,326.50	$ 6,193.10	$ 2.75
Total Assets	1.80	6,029,614.99	-	8,326.50	6,193.10	2.75
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	1.80	6,029,614.99	-	8,326.50	6,193.10	2.75
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 1.80	$ 6,029,614.99	$ -	$ 8,326.50	$ 6,193.10	$ 2.75

	PA Bad Check Account	Unclaimed Fund	Over Plus Fund	Total Agency Funds
ASSETS				
Cash and Cash Equivalents	$ 426.38	$ 1,489.56	$ 19,865.08	$ 6,121,193.20
Total Assets	426.38	1,489.56	19,865.08	6,121,193.20
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	426.38	1,489.56	19,865.08	6,121,193.20
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 426.38	$ 1,489.56	$ 19,865.08	$ 6,121,193.20

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	Prosecuting Attorney Account	Sheriff	Capital School Savings	CERF	Collector Protested Account	District School Checking
ASSETS						
Cash and Cash Equivalents	$ -	$ 1,118.06	$ 34,601.88	$ 1.09	$ 26,127.17	$ 41.97
Total Assets	-	1,118.06	34,601.88	1.09	26,127.17	41.97
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	1,118.06	34,601.88	1.09	26,127.17	41.97
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 1,118.06	$ 34,601.88	$ 1.09	$ 26,127.17	$ 41.97

	Ozark Regional Library Checking	Collector	Wire Transfer	Recorder of Deeds	Jail Commissary	PA Restitution Account
ASSETS						
Cash and Cash Equivalents	$ 2.46	$ 5,516,664.74	$ -	$ 7,624.00	$ 9,146.43	$ -
Total Assets	2.46	5,516,664.74	-	7,624.00	9,146.43	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	2.46	5,516,664.74	-	7,624.00	9,146.43	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 2.46	$ 5,516,664.74	$ -	$ 7,624.00	$ 9,146.43	$ -

	PA Bad Check Account	Unclaimed Fund	Over Plus Fund	Total Agency Funds
ASSETS				
Cash and Cash Equivalents	$ 505.47	$ 2,019.26	$ 21,250.51	$ 5,619,103.04
Total Assets	505.47	2,019.26	21,250.51	5,619,103.04
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	505.47	2,019.26	21,250.51	5,619,103.04
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 505.47	$ 2,019.26	$ 21,250.51	$ 5,619,103.04

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Madison, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three board members, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Surveyor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Madison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is determined upon changes in financial position rather than upon net income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the generally accepted basis of accounting, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations that were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	$ 87,381,310	$ 86,396,397
Personal Property	30,316,684	29,258,279
Railroad and Utilities	5,243,304	5,080,399
	$ 122,941,298	$ 120,735,075

During 2018 and 2017, the County Commission approved a $0.6260 and $0.6265 tax levy, respectively, per $100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	$ 0.1394	$ 0.1394
Special Road and Bridge Fund	0.2899	0.2902
Senate Bill 40 Board Fund	0.1967	0.1969
	$ 0.6260	$ 0.6265

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes depositing funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur among individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available to all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amounts of the County's deposits and investments were $1,393,317.97 and $1,211,914.87, and the bank balances were $5,990,312.57 and $5,621,202.91, respectively. The total bank balance as of December 31, 2018, and December 31, 2017, were insured through the Federal Deposit Insurance Corporation and the securities set by the County's and the Senate Bill 40 Board's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits and cash equivalents	$	1,376,503.57
Investments		16,814.40
Total Governmental Funds		1,393,317.97
Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:		
Deposits		6,121,193.20
Total Agency Funds		6,121,193.20
Total Deposits and Investments as of December 31, 2018	$	7,514,511.17

The carrying values of deposits and investments at December 31, 2017, are as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits and cash equivalents	$	1,191,689.27
Investments		20,225.60
Total Governmental Funds		1,211,914.87
Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:		
Deposits		5,619,103.04
Total Agency Funds		5,619,103.04
Total Deposits and Investments as of December 31, 2017	$	6,831,017.91

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2018, and 2017.

III. TAX INCREMENT FINANCING DISTRICT

On December 12, 2013, the County authorized issuance of the Tax Increment Revenue Note, Series 2013, in an aggregate principal amount of not to exceed $5,000,000. The payments continue through April of 2025, with an interest rate of 2.99%.

As of December 31, 2018, the unpaid principal balance for the Tax Increment note was $3,530,938.64. The payments for the Tax Increment note agreement of the County are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid	Amounts Due Within One Year
2013 TIF	$ 2,296,287.35	$ 1,804,539.53	$ (569,888.24)	$ 3,530,938.64	$ 72,800.28	$ 400,959.30
TOTAL	$ 2,296,287.35	$ 1,804,539.53	$ (569,888.24)	$ 3,530,938.64	$ 72,800.28	$ 400,959.30

III. TAX INCREMENT FINANCING DISTRICT (concluded)

As of December 31, 2018, the schedule of the County's future payments for the Tax Increment Note are as follows:

Year Ending December 31,	Interest	Principal	Total
2019	$ 241,727.22	$ 400,959.30	$ 642,686.52
2020	87,674.92	555,013.60	642,688.52
2021	70,955.96	571,732.56	642,688.52
2022	53,733.38	588,955.14	642,688.52
2023	35,991.98	606,696.54	642,688.52
2024-2025	20,446.17	807,581.50	828,027.67
	$ 510,529.63	$ 3,530,938.64	$ 4,041,468.27

As of December 31, 2017, the unpaid principal balance for the Tax Increment note was $2,296,287.35. The payments for the Tax Increment note agreement of the County are as follows:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid	Amounts Due Within One Year
2013 TIF	$ 2,876,135.59	$ -	$ (579,848.24)	$ 2,296,287.35	$ 52,492.86	$ 277,456.24
TOTAL	$ 2,876,135.59	$ -	$ (579,848.24)	$ 2,296,287.35	$ 52,492.86	$ 277,456.24

As of December 31, 2017, the schedule of the County's future payments for the Tax Increment Note are as follows:

Year Ended December 31,	Interest	Principal	Total
2018	$ 66,600.40	$ 277,456.24	$ 344,056.64
2019	58,242.45	285,814.19	344,056.64
2020	49,632.71	294,423.93	344,056.64
2021	40,763.64	303,293.00	344,056.64
2022	31,627.38	312,429.26	344,056.64
2023-2025	37,270.87	822,870.73	860,141.60
	$ 284,137.45	$ 2,296,287.35	$ 2,580,424.80

IV. CAPITAL LEASES

In April of 2017, the County entered into a capital lease with FS Leasing LLC to purchase three 2017 Ford Police Interceptors for a total of $110,485.00. The lease calls for 26 quarterly payments of $4,688.60 with an interest rate of 2.95%.

In April of 2017, the County entered into a capital lease with Caterpillar Financial Services Corporation for a 120M2AWD Motor Grader (M9H00447) for a total of $210,500.00. The lease calls for five annual payments of $26,118.25 and a final payment of $107,760.00 with an interest rate of 3.77%.

In April of 2017, the County entered into a capital lease with Caterpillar Financial Services Corporation for a 120M2AWD Motor Grader (M9H00448) for a total of $210,500.00. The lease calls for five annual payments of $26,118.25 and a final payment of $107,760.00 with an interest rate of 3.77%.

In April of 2017, the County entered into a capital lease with Caterpillar Financial Services Corporation for a 120M2AWD Motor Grader (M9H00449) for a total of $210,500.00. The lease calls for five annual payments of $26,118.25 and a final payment of $107,760.00 with an interest rate of 3.77%. This capital lease was paid off early in the 2018 fiscal year.

As of December 31, 2018, the unpaid principal balance for the capital leases was $428,504.57. The payments for the lease purchase agreements of the County are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid	Amounts Due Within One Year
FS Leasing (Police Cars)	$ 102,653.38	$ -	$ (15,861.05)	$ 86,792.33	$ 2,893.35	$ 16,340.80
Caterpillar (M9H00447)	190,592.88	-	(19,736.76)	170,856.12	6,381.49	21,136.75
Caterpillar (M9H00448)	190,592.88	-	(19,736.76)	170,856.12	6,381.49	21,136.75
Caterpillar (M9H00449)	190,593.06	-	(190,593.06)	-	2,352.24	-
TOTAL	$ 674,432.20	$ -	$ (245,927.63)	$ 428,504.57	$ 18,008.57	$ 58,614.30

As of December 31, 2018, the schedule of the County's future payments for the capital leases are as follows:

Year Ending December 31,	Interest	Principal	Total
2019	$ 12,376.60	$ 58,614.30	$ 70,990.90
2020	9,974.82	61,016.08	70,990.90
2021	8,272.37	62,718.53	70,990.90
2022	6,527.94	227,746.46	234,274.40
2023	345.20	18,409.20	18,754.40
	$ 37,496.93	$ 428,504.57	$ 466,001.50

IV. CAPITAL LEASES (concluded)

As of December 31, 2017, the unpaid principal balance for the capital leases was $674,432.20. The future payments for the County's lease purchase agreements are as follows:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid	Amounts Due Within One Year
FS Leasing (Police Cars)	$ -	$ 110,485.00	$ (7,831.62)	$ 102,653.38	$ 1,545.58	$ 15,861.05
Caterpillar (M9H00447)	-	210,500.00	(19,907.12)	190,592.88	6,211.13	19,736.76
Caterpillar (M9H00448)	-	210,500.00	(19,907.12)	190,592.88	6,211.13	19,736.76
Caterpillar (M9H00449)	-	210,500.00	(19,906.94)	190,593.06	6,211.31	19,736.76
TOTAL	$ -	$ 741,985.00	$ (67,552.80)	$ 674,432.20	$ 20,179.15	$ 75,071.33

As of December 31, 2017, the schedule of the County's future payments for the capital leases are as follows:

December 31,	Interest	Principal	Total
2018	$ 22,037.82	$ 75,071.33	$ 97,109.15
2019	17,358.10	79,751.05	97,109.15
2020	13,999.80	83,109.35	97,109.15
2021	11,703.40	85,405.75	97,109.15
2022	9,349.06	332,685.52	342,034.58
2023	345.20	18,409.20	18,754.40
	$ 74,793.38	$ 674,432.20	$ 749,225.58

V. OPERATING LEASES

In December of 2014, the County Clerk entered into a 63-month lease with Neopost, for a postage machine with a monthly payment of $237.44.

In January of 2017, the County Clerk entered into a 63-month lease with Canon Financial for a copier machine with a monthly payment of $105.17.

V. OPERATING LEASES (concluded)

The future payments for the County's operating leases as of December 31, 2018, are as follows:

Year Ending December 31	Clerk Copier	Clerk Postage Machine	Total
2019	$ 1,262.04	$ 2,849.28	$ 4,111.32
2020	1,262.04	237.44	1,499.48
2021	1,262.04	-	1,262.04
2022	420.68	-	420.68
	$ 4,206.80	$ 3,086.72	$ 7,293.52

The future payments for the County's operating leases as of December 31, 2017, are as follows:

Year Ending December 31	Clerk Copier	Clerk Postage Machine	Total
2018	$ 1,262.04	$ 2,849.28	$ 4,111.32
2019	1,262.04	2,849.28	4,111.32
2020	1,262.04	237.44	1,499.48
2021	1,262.04	-	1,262.04
2022	420.68	-	420.68
	$ 5,468.84	$ 5,936.00	$ 11,404.84

VI. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	$ 155,577.00	$ 180,000.00	$ 129,774.00	$ 462,477.65
Special Road and Bridge Fund	-	110,256.60	-	147,676.97
Assessment Fund	40,000.00	-	40,000.00	-
911 Fund	140,000.00	-	135,000.00	-
Law Enforcement Sales Tax Fund	72,256.60	117,577.00	109,676.97	91,774.00
Tax Increment Fund	-	-	287,477.65	-
TOTAL	$ 407,833.60	$ 407,833.60	$ 701,928.62	$ 701,928.62

VI. INTERFUND TRANSFERS (concluded)

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2018 and 2017, the County collected and remitted to CERF, employee contributions of $132,787.18 and $107,100.02, respectively, for the years then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $3,366.00 and $3,366.00, respectively, for the years ended December 31, 2018, and 2017.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were no participants at December 31, 2018, and no participants at December 31, 2017.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in a potential legal claim at December 31, 2018. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. County officials believe that such litigation and claims will ultimately be resolved without material financial liability, if any, to the County.

B. Compensated Absences (Vacation and Sick Time)

Madison County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation leave earned must be used within one year of earning the leave. Upon termination from county employment, an employee is not reimbursed for unused vacation if the required notice time is not met. If required notice time is met, then the unused vacation time will be reimbursed. Sick time is offered to full time employees after the first 90 days of employment. A maximum of 240 hours can be accrued but these hours cannot be accrued while the employee is absent from work. These have not been subjected to auditing procedures.

X. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

XII. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

I. For the year ended December 31, 2018, actual expenses exceeded budgeted expenses in the 911 Fund, Law Enforcement Sales Tax Fund, Unclaimed Fund, Madison County Sheriff's Office Fund, Sheriff's Revolving Fund, and the Senate Bill 40 Board Fund.

II. For the year ended December 31, 2017, actual expenses exceeded budgeted expenses in the General Revenue Fund and Health Grant Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Madison, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Madison ("County") as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2018-001, 2018-002, 2018-003 and 2018-004)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 1, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared for the above - mentioned offices.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. Contact the County Clerk's office for further questions or contact information at (573) 783-2176.

2018-002

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared for the above - mentioned offices.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. FINANCIAL STATEMENT FINDINGS (continued)

2018-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. Contact the County Clerk's office for further questions or contact information at (573) 783-2176.

2018-003 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Recorder of Deeds' office.

Condition: We noted that bank reconciliations for the Recorder of Deeds' office were not being performed for the account during 2017 and 2018. If they were being reconciled for the year ended December 31, 2017, and 2018, they could not be found by the current Recorder of Deeds' administration.

Context: This deficiency became apparent through our testing of the Recorder of Deeds' cash accounts and the related reconciliations during the December 31, 2017, and 2018 years.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Recorder of Deeds' office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The Recorder of Deeds' (Saundra Ivision's) office was reconciling the account during 2019 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2019. The phone number for the Recorder of Deeds' office is 573-783-3410.

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-004

Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties in the County Collector's office.

Context: During our audit, we noted the County Collector's office had the opportunity to be able to keep cash payments and not post them to the payors account.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Lack of segregation of duties and internal controls along with checks and balances within the County Collector's office.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County will work to implement procedures to prevent the lack of segregation of duties, and already has in the County Collector's office. The County Collector is Debby Boone and the office phone number is 573-783-6544.

THE COUNTY OF MADISON
FREDERICKTOWN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no audit performed for the years ending December 31, 2016, and 2015; therefore, we have no prior year audit findings to report.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

July 1, 2019

To the County Commission
The County of Madison, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Madison (the "County") as of and for the years ended December 31, 2018 and December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in the County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. The responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared for the above - mentioned offices.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. Contact the County Clerk's office for further questions or contact information at (573) 783-2176.

2018-002

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the County's walkthroughs, we noted there is no formal fraud risk assessment in place for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared for the above - mentioned offices.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2018-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls for the Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer, Recorder of Deeds, Sheriff, Assessor and Prosecuting Attorney's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is by the next audit period. Contact the County Clerk's office for further questions or contact information at (573) 783-2176.

2018-003 Criteria: Bank reconciliations must be prepared monthly on a timely basis by the Recorder of Deeds' office.

Condition: We noted that bank reconciliations for the Recorder of Deeds' office were not being performed for the account during 2017 and 2018. If they were being reconciled for the year ended December 31, 2017, and 2018, they could not be found by the current Recorder of Deeds' administration.

Context: This deficiency became apparent through our testing of the Recorder of Deeds' cash accounts and the related reconciliations during the December 31, 2017, and 2018 years.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Previous management did not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Recorder of Deeds' office prepare monthly bank reconciliations and adjustments to the cash accounts at month end.

Views of Responsible Officials and Planned Corrective Actions: The Recorder of Deeds' (Saundra Ivision's) office was reconciling the account during 2019 and has ensured that all bank statements and reconciliations are kept for future reference. The completion date of this corrective action was already completed during 2019. The phone number for the Recorder of Deeds' office is 573-783-3410.

2018-004 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties in the County Collector's office.

Context: During our audit, we noted the County Collector's office had the opportunity to be able to keep cash payments and not post them to the payors account.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2018-004 Cause: Lack of segregation of duties and internal controls along with checks and balances within the County Collector's office.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County will work to implement procedures to prevent the lack of segregation of duties, and already has in the County Collector's office. The County Collector is Debby Boone and the office phone number is 573-783-6544.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 1, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

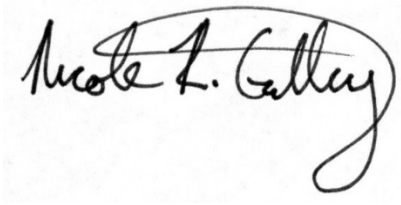
Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Marion County, Missouri

The Office of the State Auditor contracted for an audit of Marion County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-075

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF MARION
PALMYRA, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

THE COUNTY OF MARION
PALMYRA, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Marion, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Marion ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2019, on our consideration of the County of Marion's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Marion's internal control over financial reporting and compliance.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 6, 2019

FINANCIAL STATEMENTS

THE COUNTY OF MARION
PALMYRA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENTS JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENTS DECEMBER 31, 2018
General Revenue Fund	$ 720,904.42	$ 7,045,206.90	$ 6,663,968.33	$ 1,102,142.99
Special Road and Bridge Fund	274,089.32	2,128,495.97	2,239,835.94	162,749.35
Assessment Fund	61,045.80	476,461.14	508,462.15	29,044.79
Sheriff's Training Fund	40.78	7,666.88	7,490.55	217.11
Recorder's Preservation Fund	28,979.05	9,054.05	3,610.00	34,423.10
Sheriff Deputy Salary Fund	9,440.48	12,967.20	11,830.00	10,577.68
Prosecuting Attorney Training Fund	623.74	2,113.15	2,166.78	570.11
Capital Improvements Fund	313,970.99	2,059,327.52	1,998,526.66	374,771.85
Prosecuting Attorney Delinquent Tax Fund	7,944.99	2,789.58	643.30	10,091.27
Local Emergency Planning Committee Fund	55,498.46	24,509.16	8,507.58	71,500.04
Election Services Fund	7,340.92	10,815.23	8,948.37	9,207.78
Sheriff Conceal and Carry Weapons Fund	44.51	8,310.21	8,248.19	106.53
Sheriff Fund	22,360.13	36,195.23	26,512.40	32,042.96
Law Restitution Fund	31,400.44	55,013.46	50,516.13	35,897.77
Collector's Tax Maintenance Fund	55,400.42	41,394.98	58,828.38	37,967.02
Domestic Violence Fund	6,438.30	11,503.50	12,200.00	5,741.80
Recorder's Technology Fund	62,215.47	33,884.82	49,791.47	46,308.82
General Revenue Emergency Fund	1,148,795.08	157,016.89	-	1,305,811.97
Inmate Security Fund	4,070.17	10,728.63	13,108.69	1,690.11
Road Fund	408,621.47	1,225,622.94	1,253,702.11	380,542.30
Jail Renovation Account Fund	252,468.97	1,011.72	-	253,480.69
TOTAL	$ 3,471,693.91	$ 13,360,089.16	$ 12,926,897.03	$ 3,904,886.04

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENTS JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH AND INVESTEMENTS DECEMBER 31, 2017
General Revenue Fund	$ 444,746.32	$ 6,653,369.88	$ 6,377,211.78	$ 720,904.42
Special Road and Bridge Fund	471,581.71	2,127,719.34	2,325,211.73	274,089.32
Assessment Fund	66,732.68	488,429.29	494,116.17	61,045.80
Sheriff's Training Fund	1,419.64	10,289.96	11,668.82	40.78
Recorder's Preservation Fund	22,599.21	8,722.39	2,342.55	28,979.05
Sheriff Deputy Salary Fund	9,180.30	11,630.18	11,370.00	9,440.48
Prosecuting Attorney Training Fund	653.13	1,441.73	1,471.12	623.74
Capital Improvements Fund	392,516.39	1,581,048.48	1,659,593.88	313,970.99
Prosecuting Attorney Delinquent Tax Fund	5,859.02	2,678.27	592.30	7,944.99
Local Emergency Planning Committee Fund	70,703.74	5,906.65	21,111.93	55,498.46
Election Services Fund	6,140.60	6,994.74	5,794.42	7,340.92
Sheriff Conceal and Carry Weapons Fund	23,450.58	11,029.50	34,435.57	44.51
Sheriff Fund	32,477.77	45,759.97	55,877.61	22,360.13
Law Restitution Fund	38,107.70	55,833.12	62,540.38	31,400.44
Collector's Tax Maintenance Fund	76,111.02	36,163.10	56,873.70	55,400.42
Domestic Violence Fund	6,401.50	14,836.80	14,800.00	6,438.30
Recorder's Technology Fund	49,586.26	29,734.37	17,105.16	62,215.47
General Revenue Emergency Fund	1,054,268.78	94,526.30	-	1,148,795.08
Inmate Security Fund	6,053.74	13,632.64	15,616.21	4,070.17
Road Fund	335,817.03	1,163,879.68	1,091,075.24	408,621.47
Jail Renovation Account Fund	251,461.27	1,007.70	-	252,468.97
TOTAL	$ 3,365,868.39	$ 12,364,634.09	$ 12,258,808.57	$ 3,471,693.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 700,000.00	$ 695,094.01	$ 595,500.00	$ 673,952.93
Sales Taxes	2,502,000.00	2,695,408.33	2,475,000.00	2,529,465.81
Intergovernmental	303,423.00	315,294.83	344,615.00	337,650.24
Charges for Services	1,580,500.00	1,813,751.15	1,457,420.00	1,863,996.94
Interest	1,750.00	8,553.20	2,000.00	1,616.08
Other	195,833.00	367,585.17	48,333.00	118,979.27
Transfers In	1,206,955.24	1,149,520.21	1,182,712.68	1,127,708.61
TOTAL RECEIPTS	6,490,461.24	7,045,206.90	6,105,580.68	6,653,369.88
DISBURSEMENTS				
County Commission	255,804.01	249,787.78	244,823.84	243,563.44
County Clerk	232,793.04	230,410.34	241,997.74	229,937.70
Elections	252,940.20	209,894.78	137,769.98	118,867.60
Hannibal Courthouse	117,716.64	107,526.90	116,430.84	102,942.66
Palmyra Courthouse	95,871.55	81,402.96	93,616.19	78,572.23
County Treasurer	110,254.04	108,526.16	105,733.80	103,658.87
Collector	330,004.67	323,213.28	313,417.72	305,949.08
Recorder of Deeds	221,943.48	220,228.31	211,789.97	210,102.14
Circuit Clerk	42,500.00	26,228.22	44,100.00	23,823.08
Court Administration	14,875.00	8,963.72	13,400.00	10,775.16
Public Administrator	244,129.60	236,915.57	233,443.17	229,163.62
Sheriff	3,461,495.95	3,355,738.57	3,218,357.68	3,204,933.34
Prosecuting Attorney	404,611.80	400,771.46	436,502.22	399,982.43
Juvenile Justice Center	258,934.87	258,934.87	207,571.09	207,571.09
County Coroner	92,103.34	82,657.27	95,356.27	95,356.27
Planning and Zoning	5,953.00	1,076.47	6,429.50	3,973.96
Child Support Enforcement	111,415.00	111,408.60	111,417.71	108,047.08
Emergency Preparedness	31,459.80	20,320.11	31,459.80	21,971.26
Criminal Costs	36,123.80	36,123.80	37,992.20	37,992.20
Jury/Witness	20,000.00	5,484.45	20,028.93	20,028.93
Other	451,107.00	370,112.13	465,181.94	465,275.54
Association Contracts	75,150.00	68,242.58	63,650.00	63,649.10
Transfers Out	150,000.00	150,000.00	91,075.00	91,075.00
Emergency Fund	-	-	-	-
TOTAL DISBURSEMENTS	7,017,186.79	6,663,968.33	6,541,545.59	6,377,211.78
RECEIPTS OVER (UNDER) DISBURSEMENTS	(526,725.55)	381,238.57	(435,964.91)	276,158.10
CASH AND INVESTMENT BALANCES, JANUARY 1	720,904.42	720,904.42	444,746.32	444,746.32
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 194,178.87	$ 1,102,142.99	$ 8,781.41	$ 720,904.42

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 1,480,922.00	$ 1,490,772.29	$ 1,439,300.00	$ 1,445,408.73
Intergovernmental	647,500.00	615,647.13	563,560.00	650,748.06
Charges for Services	-	-	-	-
Interest	2,000.00	2,880.09	1,350.00	3,258.09
Other	14,000.00	19,196.46	14,000.00	28,304.46
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,144,422.00	2,128,495.97	2,018,210.00	2,127,719.34
DISBURSEMENTS				
Salaries	859,252.00	840,070.44	813,908.00	809,000.37
Employee Fringe Benefits	626,691.95	588,990.42	547,293.37	582,707.41
Supplies	139,500.00	110,765.20	232,000.00	194,628.72
Insurance	62,586.28	62,202.13	58,916.66	60,017.16
Road and Bridge Materials	5,500.00	3,440.98	10,750.00	6,931.33
Equipment Repairs	101,000.00	111,539.66	111,000.00	82,738.32
Rentals	-	-	500.00	-
Equipment Purchases	365,348.00	383,838.64	445,300.00	454,191.72
Services and Other	39,400.00	32,336.30	38,900.00	24,272.33
Transfers Out	109,963.91	106,652.17	100,000.00	110,724.37
TOTAL DISBURSEMENTS	2,309,242.14	2,239,835.94	2,358,568.03	2,325,211.73
RECEIPTS OVER (UNDER) DISBURSEMENTS	(164,820.14)	(111,339.97)	(340,358.03)	(197,492.39)
CASH AND INVESTMENT BALANCES, JANUARY 1	274,089.32	274,089.32	471,581.71	471,581.71
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 109,269.18	$ 162,749.35	$ 131,223.68	$ 274,089.32

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				SHERIFF'S TRAINING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 452,199.00	$ 459,223.80	$ 474,000.00	$ 479,484.96	$ -	$ -	$ -	$ -
Charges for Services	8,500.00	16,592.62	7,500.00	8,228.21	7,490.55	7,666.88	5,300.00	10,289.96
Interest	500.00	614.74	350.00	716.12	-	-	-	-
Other	-	29.98	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	461,199.00	476,461.14	481,850.00	488,429.29	7,490.55	7,666.88	5,300.00	10,289.96
DISBURSEMENTS								
Salaries	304,785.07	304,727.34	299,214.39	284,842.17	-	-	-	-
Employee Fringe Benefits	154,968.49	141,137.35	142,791.42	150,123.40	-	-	-	-
Office	8,000.00	6,320.45	15,000.00	7,537.90	-	-	-	-
Mileage	3,000.00	3,268.93	5,500.00	2,099.91	-	-	-	-
Dues and Fees	8,000.00	4,569.03	9,000.00	4,858.41	-	-	-	-
Equipment and Maintenance	13,000.00	13,192.10	12,000.00	12,736.18	-	-	-	-
Mapping	28,000.00	35,246.95	35,000.00	31,918.20	-	-	-	-
Training	-	-	-	-	7,490.55	7,490.55	6,670.00	11,668.82
TOTAL DISBURSEMENTS	519,753.56	508,462.15	518,505.81	494,116.17	7,490.55	7,490.55	6,670.00	11,668.82
RECEIPTS OVER (UNDER) DISBURSEMENTS	(58,554.56)	(32,001.01)	(36,655.81)	(5,686.88)	-	176.33	(1,370.00)	(1,378.86)
CASH AND INVESTMENT BALANCES, JANUARY 1	61,045.80	61,045.80	66,732.68	66,732.68	40.78	40.78	1,419.64	1,419.64
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 2,491.24	$ 29,044.79	$ 30,076.87	$ 61,045.80	$ 40.78	$ 217.11	$ 49.64	$ 40.78

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	RECORDER'S PRESERVATION FUND				SHERIFF DEPUTY SALARY FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 8,500.00	$ 8,758.00	$ 8,500.00	$ 8,559.00	$ 12,000.00	$ 12,967.20	$ 26,000.00	$ 11,630.18
Interest	175.00	296.05	25.00	163.39	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,675.00	9,054.05	8,525.00	8,722.39	12,000.00	12,967.20	26,000.00	11,630.18
DISBURSEMENTS								
Equipment and Maintenance	8,500.00	3,610.00	8,500.00	2,342.55	-	-	-	-
Civil Service Fees	-	-	-	-	12,000.00	11,830.00	15,000.00	11,370.00
TOTAL DISBURSEMENTS	8,500.00	3,610.00	8,500.00	2,342.55	12,000.00	11,830.00	15,000.00	11,370.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	175.00	5,444.05	25.00	6,379.84	-	1,137.20	11,000.00	260.18
CASH AND INVESTMENT BALANCES, JANUARY 1	28,979.05	28,979.05	22,599.21	22,599.21	9,440.48	9,440.48	9,180.30	9,180.30
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 29,154.05	$ 34,423.10	$ 22,624.21	$ 28,979.05	$ 9,440.48	$ 10,577.68	$ 20,180.30	$ 9,440.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY TRAINING FUND				CAPITAL IMPROVEMENTS FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$1,550,000.00	$1,564,108.58	$1,550,000.00	$1,572,865.19
Intergovernmental	-	-	-	-	450,000.00	441,244.22	320,000.00	6,436.84
Charges for Services	2,500.00	2,113.15	2,500.00	1,441.73	104,800.00	48,768.68	80,000.00	-
Interest	-	-	-	-	975.00	3,355.39	750.00	1,746.45
Other	-	-	-	-	-	1,850.65	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,500.00	2,113.15	2,500.00	1,441.73	2,105,775.00	2,059,327.52	1,950,750.00	1,581,048.48
DISBURSEMENTS								
Training	3,000.00	2,166.78	2,500.00	1,471.12	-	-	-	-
Salaries	-	-	-	-	120,312.00	120,151.89	114,072.00	113,911.88
Employee Fringe Benefits	-	-	-	-	72,221.46	68,102.59	65,967.10	69,788.59
Office	-	-	-	-	14,200.00	12,673.71	9,000.00	10,665.11
Insurance	-	-	-	-	1,128.56	1,115.66	1,032.04	1,032.04
Vehicle Maintenance	-	-	-	-	3,000.00	6,504.28	3,000.00	2,616.78
Bridges	-	-	-	-	972,000.00	646,402.36	873,250.00	300,863.59
Jail	-	-	-	-	80,000.00	138,451.52	100,000.00	169,853.81
Bond Payment	-	-	-	-	58,093.75	58,829.41	56,000.00	61,833.80
Services and Other	-	-	-	-	50,000.00	1,127.30	50,000.00	-
Transfers Out	-	-	-	-	955,402.00	945,167.94	955,402.00	929,028.28
TOTAL DISBURSEMENTS	3,000.00	2,166.78	2,500.00	1,471.12	2,326,357.77	1,998,526.66	2,227,723.14	1,659,593.88
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500.00)	(53.63)	-	(29.39)	(220,582.77)	60,800.86	(276,973.14)	(78,545.40)
CASH AND INVESTMENT BALANCES, JANUARY 1	623.74	623.74	653.13	653.13	313,970.99	313,970.99	392,516.39	392,516.39
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 123.74	$ 570.11	$ 653.13	$ 623.74	$ 93,388.22	$ 374,771.85	$ 115,543.25	$ 313,970.99

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 13,000.00	$ 23,887.33	$ 13,000.00	$ 5,567.01
Charges for Services	1,500.00	2,704.34	1,500.00	2,634.51	-	-	-	-
Interest	10.00	85.24	10.00	43.76	140.00	621.83	100.00	339.64
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,510.00	2,789.58	1,510.00	2,678.27	13,140.00	24,509.16	13,100.00	5,906.65
DISBURSEMENTS								
Fees to State	1,000.00	255.00	1,000.00	250.00	-	-	-	-
Mileage	-	-	-	-	2,000.00	206.30	2,000.00	105.30
Dues and Fees	-	-	-	-	1,500.00	175.00	1,500.00	-
Office	-	-	-	-	750.00	-	750.00	70.65
Equipment	-	-	-	-	10,000.00	-	8,370.00	14,521.00
Training	-	-	-	-	7,000.00	8,126.28	6,000.00	6,414.98
Services and Other	2,000.00	388.30	2,000.00	342.30	2,500.00	-	2,500.00	-
TOTAL DISBURSEMENTS	3,000.00	643.30	3,000.00	592.30	23,750.00	8,507.58	21,120.00	21,111.93
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,490.00)	2,146.28	(1,490.00)	2,085.97	(10,610.00)	16,001.58	(8,020.00)	(15,205.28)
CASH AND INVESTMENT BALANCES, JANUARY 1	7,944.99	7,944.99	5,859.02	5,859.02	55,498.46	55,498.46	70,703.74	70,703.74
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 6,454.99	$ 10,091.27	$ 4,369.02	$ 7,944.99	$ 44,888.46	$ 71,500.04	$ 62,683.74	$ 55,498.46

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ELECTION SERVICES FUND				SHERIFF CONCEAL AND CARRY WEAPONS FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 12,193.00	$ 10,725.63	$ 4,200.00	$ 6,946.97	$ 8,248.19	$ 8,310.00	$ 30,000.00	$ 11,000.00
Interest	15.00	89.60	15.00	47.77	35.00	0.21	50.00	29.50
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	12,208.00	10,815.23	4,215.00	6,994.74	8,283.19	8,310.21	30,050.00	11,029.50
DISBURSEMENTS								
Mileage	1,250.00	426.74	1,250.00	790.74	-	-	-	-
Travel	500.00	150.58	750.00	175.06	-	-	-	-
Dues and Fees	3,500.00	2,780.80	4,500.00	1,268.62	-	-	-	-
Elections	5,500.00	5,590.25	3,500.00	3,560.00	-	-	-	-
Equipment	-	-	-	-	-	1,398.19	10,000.00	2,684.89
Services	-	-	-	-	8,248.19	6,850.00	24,400.00	31,750.68
TOTAL DISBURSEMENTS	10,750.00	8,948.37	10,000.00	5,794.42	8,248.19	8,248.19	34,400.00	34,435.57
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,458.00	1,866.86	(5,785.00)	1,200.32	35.00	62.02	(4,350.00)	(23,406.07)
CASH AND INVESTMENT BALANCES, JANUARY 1	7,340.92	7,340.92	6,140.60	6,140.60	44.51	44.51	23,450.58	23,450.58
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 8,798.92	$ 9,207.78	$ 355.60	$ 7,340.92	$ 79.51	$ 106.53	$ 19,100.58	$ 44.51

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF FUND				LAW RESTITUTION FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	42,000.00	35,919.20	40,000.00	45,584.87	62,000.00	51,713.96	65,000.00	55,614.85
Interest	70.00	276.03	50.00	175.10	100.00	3,299.50	75.00	218.27
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	42,070.00	36,195.23	40,050.00	45,759.97	62,100.00	55,013.46	65,075.00	55,833.12
DISBURSEMENTS								
Office	1,000.00	69.45	1,000.00	171.65	-	-	-	-
Supplies	10,000.00	18,015.81	29,900.00	23,960.90	-	-	-	-
Equipment	25,000.00	8,427.14	25,000.00	31,745.06	-	-	-	-
Prosecutor	-	-	-	-	15,000.00	6,351.13	10,000.00	7,575.05
Sheriff	-	-	-	-	48,000.00	44,165.00	52,550.00	54,965.33
TOTAL DISBURSEMENTS	36,000.00	26,512.40	55,900.00	55,877.61	63,000.00	50,516.13	62,550.00	62,540.38
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,070.00	9,682.83	(15,850.00)	(10,117.64)	(900.00)	4,497.33	2,525.00	(6,707.26)
CASH AND INVESTMENT BALANCES, JANUARY 1	22,360.13	22,360.13	32,477.77	32,477.77	31,400.44	31,400.44	38,107.70	38,107.70
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 28,430.13	$ 32,042.96	$ 16,627.77	$ 22,360.13	$ 30,500.44	$ 35,897.77	$ 40,632.70	$ 31,400.44

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	COLLECTOR'S TAX MAINTENANCE FUND				DOMESTIC VIOLENCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 35,000.00	$ 40,976.02	$ 34,000.00	$ 35,791.87	$ 12,000.00	$ 11,503.50	$ 10,000.00	$ 14,836.80
Interest	135.00	418.96	120.00	371.23	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	35,135.00	41,394.98	34,120.00	36,163.10	12,000.00	11,503.50	10,000.00	14,836.80
DISBURSEMENTS								
Mileage	700.00	664.91	600.00	350.96	-	-	-	-
Training	425.00	207.58	1,500.00	203.30	-	-	-	-
Dues and Fees	8,100.00	5,898.58	8,700.00	6,654.75	-	-	-	-
Professional Services	6,500.00	475.00	5,000.00	3,490.20	-	-	-	-
Office	150.00	-	100.00	-	-	-	-	-
Equipment and Maintenance	17,500.00	10,037.74	17,500.00	6,022.34	-	-	-	-
Services and Other	6,000.00	3,544.57	2,000.00	4,152.15	12,200.00	12,200.00	14,800.00	14,800.00
Transfers Out	38,000.00	38,000.00	36,000.00	36,000.00	-	-	-	-
TOTAL DISBURSEMENTS	77,375.00	58,828.38	71,400.00	56,873.70	12,200.00	12,200.00	14,800.00	14,800.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,240.00)	(17,433.40)	(37,280.00)	(20,710.60)	(200.00)	(696.50)	(4,800.00)	36.80
CASH AND INVESTMENT BALANCES, JANUARY 1	55,400.42	55,400.42	76,111.02	76,111.02	6,438.30	6,438.30	6,401.50	6,401.50
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 13,160.42	$ 37,967.02	$ 38,831.02	$ 55,400.42	$ 6,238.30	$ 5,741.80	$ 1,601.50	$ 6,438.30

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	RECORDER'S TECHNOLOGY FUND				GENERAL REVENUE EMERGENCY FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 25,000.00	$ 33,358.27	$ 25,000.00	$ 29,396.89	$ -	$ -	$ -	$ -
Interest	115.00	526.55	75.00	337.48	-	7,016.89	3,400.00	3,451.30
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	150,000.00	150,000.00	91,075.00	91,075.00
TOTAL RECEIPTS	25,115.00	33,884.82	25,075.00	29,734.37	150,000.00	157,016.89	94,475.00	94,526.30
DISBURSEMENTS								
Services and Other	49,791.47	49,791.47	20,000.00	17,105.16	-	-	-	-
Transfers Out	-	-	-	-	350,000.00	-	-	-
TOTAL DISBURSEMENTS	49,791.47	49,791.47	20,000.00	17,105.16	350,000.00	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(24,676.47)	(15,906.65)	5,075.00	12,629.21	(200,000.00)	157,016.89	94,475.00	94,526.30
CASH AND INVESTMENT BALANCES, JANUARY 1	62,215.47	62,215.47	49,586.26	49,586.26	1,148,795.08	1,148,795.08	1,054,268.78	1,054,268.78
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 37,539.00	$ 46,308.82	$ 54,661.26	$ 62,215.47	$ 948,795.08	$ 1,305,811.97	$ 1,148,743.78	$ 1,148,795.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	INMATE SECURITY FUND				ROAD FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ 1,127,250.00	$ 1,177,478.92	$ 1,119,000.00	$ 1,143,291.27
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	14,500.00	10,728.63	16,000.00	13,632.64	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	20,000.00	48,144.02	22,500.00	20,588.41
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	14,500.00	10,728.63	16,000.00	13,632.64	1,147,250.00	1,225,622.94	1,141,500.00	1,163,879.68
DISBURSEMENTS								
Road Materials	-	-	-	-	1,446,250.00	1,194,002.01	1,360,000.00	1,039,119.28
Services and Other	14,000.00	13,108.69	16,000.00	15,616.21	-	-	-	-
Transfers Out	-	-	-	-	72,312.00	59,700.10	68,500.00	51,955.96
TOTAL DISBURSEMENTS	14,000.00	13,108.69	16,000.00	15,616.21	1,518,562.00	1,253,702.11	1,428,500.00	1,091,075.24
RECEIPTS OVER (UNDER) DISBURSEMENTS	500.00	(2,380.06)	-	(1,983.57)	(371,312.00)	(28,079.17)	(287,000.00)	72,804.44
CASH AND INVESTMENT BALANCES, JANUARY 1	4,070.17	4,070.17	6,053.74	6,053.74	408,621.47	408,621.47	335,817.03	335,817.03
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 4,570.17	$ 1,690.11	$ 6,053.74	$ 4,070.17	$ 37,309.47	$ 380,542.30	$ 48,817.03	$ 408,621.47

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	JAIL RENOVATION ACCOUNT FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Interest	$ 1,050.00	$ 1,011.72	$ 1,050.00	$ 1,007.70
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,050.00	1,011.72	1,050.00	1,007.70
DISBURSEMENTS				
Supplies and Equipment	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,050.00	1,011.72	1,050.00	1,007.70
CASH AND INVESTMENT BALANCES, JANUARY 1	252,468.97	252,468.97	251,461.27	251,461.27
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 253,518.97	$ 253,480.69	$ 252,511.27	$ 252,468.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	Collector	Sheriff	Recorder	Total Agency Funds
ASSETS				
Cash and Cash Equivalents	$ 20,532,281.98	$ 74,866.10	$ 15,002.26	$ 20,622,150.34
Total Assets	20,532,281.98	74,866.10	15,002.26	20,622,150.34
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	20,532,281.98	74,866.10	15,002.26	20,622,150.34
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 20,532,281.98	$ 74,866.10	$ 15,002.26	$ 20,622,150.34

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MARION
PALMYRA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	Collector	Sheriff	Recorder	Total Agency Funds
ASSETS				
Cash and Cash Equivalents	$ 21,173,742.66	$ 55,481.91	$ 15,405.50	$ 21,244,630.07
Total Assets	21,173,742.66	55,481.91	15,405.50	21,244,630.07
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	21,173,742.66	55,481.91	15,405.50	21,244,630.07
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 21,173,742.66	$ 55,481.91	$ 15,405.50	$ 21,244,630.07

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Marion, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1826 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: Assessor, Circuit Clerk, Collector of Revenue, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff, Surveyor, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of Marion County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Marion County Services for Developmentally Disabled has issued separate reporting entity financial statements. For information on this component unit, please contact them at (573) 248-1077 (or write to 12 Northport Plaza, Hannibal, MO 63401).

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	$ 289,770,240	$ 284,893,740
Personal Property	104,506,364	102,948,007
Railroad and Utilities	59,138,893	66,011,172
	$ 453,415,497	$ 453,582,919

During 2018 and 2017, the County Commission approved a $0.4640 and $0.4613 tax levy per $100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	$ 0.1350	$ 0.1350
Special Road and Bridge Fund	0.3290	0.3263
	$ 0.4640	$ 0.4613

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable,

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions (concluded)

are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County’s funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amount of the County's deposits was $3,904,886.04 and $3,471,693.91, respectively, and the bank balance was $23,402,864.95 and $21,357,201.46, respectively. The total bank balances as of December 31, 2018, and 2017 were insured through the Federal Deposit Insurance Corporation and securities set by the County’s financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investments	
Deposits and cash equivalents	$ 3,019,690.20
Investments	885,195.84
Total Governmental Funds	3,904,886.04
Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:	
Deposits	20,622,150.34
Total Agency Funds	20,622,150.34
Total Deposits as of December 31, 2018	$ 24,527,036.38

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investments	
Deposits and cash equivalents	$ 2,741,286.86
Investments	730,407.05
Total Governmental Funds	3,471,693.91
Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds:	
Deposits	21,244,630.07
Total Agency Funds	21,244,630.07
Total Deposits as of December 31, 2017	$ 24,716,323.98

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2018, and 2017.

III. LONG-TERM DEBT

Certificates of Participation (COPs)

In 2013, the County entered into Lease Refunding Certificates of Participation, Series 2013, with a $375,000 original principal, due in varying annual principal installments ranging from $50,000 to $55,000 through June 2020. Interest rate is variable from 1.250% to 2.250%. Principal payments are made annually on June 1 and interest is paid semiannually.

As of December 31, 2018, the unpaid principal balances of the COPs agreements were $110,000.00.

Description	Prior Year 12/31/2017	Current Year Additions	Deletions & Payments	Balance 12/31/2018	Interest Paid Current Year
Series 2013	$ 165,000.00	$ -	$ 55,000.00	$ 110,000.00	$ 3,093.75
	$ 165,000.00	$ -	$ 55,000.00	$ 110,000.00	$ 3,093.75

The future payments for the COPs agreements of the County are as follows:

December 31,	Interest	Principal	Total
2019	$ 1,856.25	$ 55,000.00	$ 56,856.25
2020	618.75	55,000.00	55,618.75
	$ 2,475.00	$ 110,000.00	$ 112,475.00

As of December 31, 2017, the unpaid principal balances of the COPs agreements were $165,000.00.

Description	Balance Prior Year 12/31/2016	Current Year Additions	Current Year Deletions & Payments	Balance 12/31/2017	Interest Paid Current Year
Series 2013	$ 220,000.00	$ -	$ 55,000.00	$ 165,000.00	$ 4,193.75
	$ 220,000.00	$ -	$ 55,000.00	$ 165,000.00	$ 4,193.75

The future payments for the COPs agreements of the County are as follows:

December 31,	Interest	Principal	Total
2018	$ 3,093.75	$ 55,000.00	$ 58,093.75
2019	1,856.25	55,000.00	56,856.25
2020	618.75	55,000.00	55,618.75
	$ 5,568.75	$ 165,000.00	$ 170,568.75

III. LONG-TERM DEBT (continued)

Capital Leases

In 2014, the County entered into a lease purchase agreement for three dump trucks for the highway department with a principal amount of $371,678 and an interest rate of 1.60%. The four annual payments of $96,665.78 start in October 2015 and mature October 2018. This agreement was paid off during 2018.

In 2014, the County entered into a lease purchase agreement for three 2014 Dodge Charger police vehicles with a principal amount of $70,935 at an interest rate of 3.26%. The term of the agreement is 36 months with an annual payment of $25,203.14 beginning in April 2015 and maturing April 2017. This agreement was paid off in 2017.

In 2015, the County entered into a lease purchase agreement for two 2014 Dodge Charger police vehicles with a principal amount of $49,890 at an interest rate of 2.27%. The term of the agreement is 36 months with an annual payment of $17,390.65 beginning in March 2016 and maturing March 2018. This agreement was paid off in 2018.

In 2015, the County entered into a lease purchase agreement for five Caterpillar graders with a principal amount of $709,820 at an interest rate of 1.79%. The term of the agreement is 60 months with a $123,611.94 principal payment due immediately and then 5 annual payments of $123,611.94 beginning April 2016 and maturing April 2020.

In 2017, the County entered into a lease purchase agreement for three 2017 Ford police interceptor utility AWD vehicles with a principal amount of $102,686 at an interest rate of 2.30%. The term of the agreement is 36 months with an annual payment of $35,815.12 beginning March 2018 and maturing March 2020.

In 2018, the County entered into a lease purchase agreement for three 2018 Ford police interceptor utility AWD vehicles with a principal amount of $111,111 at an interest rate of 3.15%. The term of the agreement is 36 months with an annual payment of $39,394.45 beginning March 2019 and maturing March 2021.

As of December 31, 2018, the unpaid principal balances of the lease purchase agreements were $421,084.55.

Description	Balance Prior Year 12/31/2017	Current Year Additions	Current Year Deletions & Payments	Balance 12/31/2018	Interest Paid Current Year
3 Dump Trucks	$ 95,143.48	$ -	$ 95,143.48	$ -	$ 1,522.30
2 Police Vehicles	17,004.64	-	17,004.64	-	386.01
5 Caterpillar Road Graders	357,945.60	-	117,204.71	240,740.89	6,407.23
3 2017 Ford Interceptors	102,686.00	-	33,453.34	69,232.66	2,361.78
3 2018 Ford Interceptors	-	111,111.00	-	111,111.00	-
	$ 572,779.72	$ 111,111.00	$ 262,806.17	$ 421,084.55	$ 10,677.32

III. LONG-TERM DEBT (concluded)

Capital Leases

The future payments for the lease purchase agreements of the County are as follows:

December 31,	Interest	Principal	Total
2019	$ 9,401.61	$ 189,419.90	$ 198,821.51
2020	5,348.28	193,473.23	198,821.51
2021	1,203.03	38,191.42	39,394.45
	$ 15,952.92	$ 421,084.55	$ 437,037.47

As of December 31, 2017, the unpaid principal balances of the lease purchase agreements were $572,779.72.

Description	Balance Prior Year 12/31/2016	Current Year Additions	Current Year Deletions & Payments	Balance 12/31/2017	Interest Paid Current Year
3 Dump Trucks	$ 188,788.64	$ -	$ 93,645.16	$ 95,143.48	$ 3,020.62
3 Police Vehicles	24,407.45	-	24,407.45	-	795.69
2 Police Vehicles	33,631.85	-	16,627.21	17,004.64	763.44
5 Caterpillar Road Graders	473,089.24	-	115,143.64	357,945.60	8,468.30
3 2017 Ford Interceptors	-	102,686.00	-	102,686.00	-
	$ 719,917.18	$ 102,686.00	$ 249,823.46	$ 572,779.72	$ 13,048.05

The future payments for the lease purchase agreements of the County are as follows:

December 31,	Interest	Principal	Total
2018	$ 10,677.32	$ 262,806.17	$ 273,483.49
2019	5,901.61	153,525.45	159,427.06
2020	2,978.96	156,448.10	159,427.06
	$ 19,557.89	$ 572,779.72	$ 592,337.61

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017, are as follows:

	2018		2017	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	$ 1,149,520.21	$ 150,000.00	$ 1,127,708.61	$ 91,075.00
Special Road and Bridge Fund	-	106,652.17	-	110,724.37
Capital Improvements Fund	-	945,167.94	-	929,028.28
Collector's Tax Maintenance Fund	-	38,000.00	-	36,000.00
General Revenue Emergency Fund	150,000.00	-	91,075.00	-
Road Fund	-	59,700.10	-	51,955.96
TOTAL	$ 1,299,520.21	$ 1,299,520.21	$ 1,218,783.61	$ 1,218,783.61

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement.

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2018, and 2017, were $99,776.40 and $95,330.75, respectively.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Marion County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Marion County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	2018 Valuation
Benefit Multiplier:	2.00%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	General	Police
Inactive employees or beneficiaries currently receiving benefits	57	14
Inactive employees entitled to but not yet receiving benefits	23	10
Active employees	75	17
	155	41

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 19.1% (General) and 17.2% (Police) of annual covered payroll.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	$ 355,022	$ 85,528
2 Interest on Total Pension Liability	968,992	197,974
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	146,746	(99,700)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(462,983)	(90,736)
7 Net change in total pension liability	1,007,777	93,066
8 Total pension liability - beginning	13,418,442	2,733,236
9 Total pension liability - ending	$ 14,426,219	$ 2,826,302
B. Plan Fiduciary Net Position		
1 Contributions - employer	$ 546,273	$ 116,815
2 Contributions - employee	-	-
3 Net investment income	1,444,020	291,839
4 Benefit payments, including refunds of employee contributions	(462,983)	(90,736)
5 Pension plan administrative expense	(12,036)	(3,073)
6 Other (net transfer)	(11,348)	(84,490)
7 Net change in plan fiduciary net position	1,503,926	230,355
8 Plan fiduciary net position - beginning	11,784,988	2,505,830
9 Plan fiduciary net position - ending	$ 13,288,914	$ 2,736,185
C. Net Pension Liability / (Asset)	$ 1,137,305	$ 90,117
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.12%	96.81%
E. Covered-Employee Payroll	$ 2,983,306	$ 676,601
F. Net Pension Liability as a Percentage of Covered Employee Payroll	38.12%	13.32%

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	$ 16,399,272	$ 14,426,219	$ 12,781,605
Plan Fiduciary Net Position	13,288,914	13,288,914	13,288,914
Net Pension Liability / (Asset) (NPL)	$ 3,110,358	$ 1,137,305	$ (507,309)
Police Division:			
Total Pension Liability (TPL)	$ 3,310,192	$ 2,826,302	$ 2,434,049
Plan Fiduciary Net Position	2,736,185	2,736,185	2,736,185
Net Pension Liability / (Asset) (NPL)	$ 574,007	$ 90,117	$ (302,136)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the employer recognized pension expense of $762,372 for the general and $186,879 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 339,025	$ (35,632)	$ 15,985	$ (205,797)
Changes in assumptions	179,581	-	39,512	-
Net difference between projected and actual earnings on pension plan investments	-	(331,504)	-	(48,829)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	$ 518,606	$ (367,136)	$ 55,497	$ (254,626)

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2018.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2019	$ 271,521	$ (4,703)
2020	133,475	(37,759)
2021	(145,249)	(86,797)
2022	(108,277)	(62,080)
2023	-	(7,790)
Thereafter	-	-
Total	$ 151,470	$ (199,129)

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $22,338 and $7,752, respectively, for the years ended December 31, 2018, and 2017.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had two COBRA participants at December 31, 2018, paying total premiums of $8,372, and one COBRA participant paying premiums totaling $7,755 at December 31, 2017.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service with a maximum of 20 days that may be carried over from one year to the next. Upon termination from County employment, an employee is reimbursed for unused vacation and overtime, if applicable. Regular full-time employees earn 12 days of sick leave each year. An employee will not be compensated for any accumulated sick leave upon termination of employment. At full retirement, if an employee has 700 or more hours of accumulated sick leave, the employee would receive 350 hours of their paid sick leave. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. PRIOR PERIOD ADJUSTMENT

The prior audit cash balances at December 31, 2016, has been adjusted to $3,365,868.39 for a net adjustment of ($1,571.61). The details of the cash adjustments to the funds are as follows:

General Revenue Fund	$	4.32
Special Road and Bridge Fund		(2.29)
Capital Improvements Fund		(1.61)
Local Emergency Planning Committee Fund		1.74
Election Services Fund		(1.40)
Sheriff Fund		(2.23)
Collector's Tax Maintenance Fund		(98.98)
Circuit Clerk Fund		(1,470.00)
Rounding of Other Funds		(1.16)
	$	(1,571.61)

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

I. For the year ended December 31, 2017, actual expenses exceeded budgeted expenses for the Sheriff's Training Fund and the Sheriff Conceal and Carry Weapons Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Marion, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Marion ("County"), Missouri as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis, A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2018-001, 2018-002)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 6, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's (Valerie Dornberger) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is for the next audit period. The phone number for the Clerk's office is 573-769-2549.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's (Valerie Dornberger) office is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is the next audit period. The phone number for the Clerk's office is 573-769-2549.

THE COUNTY OF MARION
PALMYRA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2016 and 2015.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

August 6, 2019

To the County Commission
The County of Marion, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Marion (the "County") as of and for the years ended December 31, 2018 and December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's (Valerie Dornberger) office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is for the next audit period. The phone number for the Clerk's office is 573-769-2549.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2018-002 Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's (Valerie Dornberger) office is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is the next audit period. The phone number for the Clerk's office is 573-769-2549.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 6, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

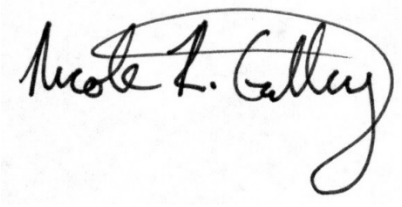
Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Henry County, Missouri

The Office of the State Auditor contracted for an audit of Henry County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-074

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF HENRY
CLINTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017 AND 2018

THE COUNTY OF HENRY
CLINTON, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Henry, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Henry (County), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018 and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2019, on our consideration of the County of Henry's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Henry's internal control over financial reporting and compliance.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 19, 2019

FINANCIAL STATEMENTS

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENTS JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENTS DECEMBER 31, 2018
General Revenue Fund	$ 2,111,620.20	$ 3,403,262.29	$ 3,401,568.02	$ 2,113,314.47
Special Road and Bridge Fund	1,431,607.77	1,132,595.12	1,193,917.55	1,370,285.34
Assessment Fund	22,014.32	395,889.66	402,380.14	15,523.84
Central Emergency Communications Fund	-	-	-	-
Law Enforcement Training Fund	1,013.93	6,670.73	5,131.27	2,553.39
Prosecuting Attorney's Training Fund	191.94	1,093.68	800.00	485.62
Administrative Handling Cost Fund	3,637.09	14,620.79	16,782.30	1,475.58
Sheriff Revolving Fund	1,339.53	7,356.00	3,681.39	5,014.14
Victims of Domestic Violence Fund	-	1,031.00	1,031.00	-
Local Use Tax Fund	245,206.86	-	245,206.86	-
Local Emergency Planning Commission Fund	18,541.28	3,236.54	7,749.65	14,028.17
Sheriff's Civil Fund	1,627.74	20,378.21	16,160.63	5,845.32
Election Service Fund	18,532.41	10,814.29	1,270.60	28,076.10
Recorder's Records Storage Preservation Fund	53,078.78	13,335.42	11,720.00	54,694.20
Tax Maintenance Fund	24,873.75	35,193.78	22,367.73	37,699.80
Log Jam/CDBG Fund	34,346.91	-	-	34,346.91
Senior Citizens Service Fund	102,604.36	172,023.94	169,570.63	105,057.67
Henry County Law Enforcement Fund	412,538.45	2,385,636.88	2,601,103.57	197,071.76
Inmate Security Fund	29.69	167,188.50	150,843.01	16,375.18
TOTAL	$ 4,482,805.01	$ 7,770,326.83	$ 8,251,284.35	$ 4,001,847.49

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENTS JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH AND INVESTMENTS DECEMBER 31, 2017
General Revenue Fund	$ 2,149,345.10	$ 3,460,834.14	$ 3,498,559.04	$ 2,111,620.20
Special Road and Bridge Fund	1,229,045.85	1,147,114.09	944,552.17	1,431,607.77
Assessment Fund	28,377.67	389,026.06	395,389.41	22,014.32
Central Emergency Communications Fund	6,665.63	458.99	7,124.62	-
Law Enforcement Training Fund	561.76	6,822.39	6,370.22	1,013.93
Prosecuting Attorney's Training Fund	161.17	1,163.05	1,132.28	191.94
Administrative Handling Cost Fund	2,809.22	20,988.56	20,160.69	3,637.09
Sheriff Revolving Fund	332.79	12,622.00	11,615.26	1,339.53
Victims of Domestic Violence Fund	95.00	982.00	1,077.00	-
Local Use Tax Fund	787,312.82	257,894.04	800,000.00	245,206.86
Local Emergency Planning Commission Fund	16,759.48	3,089.38	1,307.58	18,541.28
Sheriff's Civil Fund	11,858.82	16,054.46	26,285.54	1,627.74
Election Service Fund	17,671.06	7,261.35	6,400.00	18,532.41
Recorder's Records Storage Preservation Fund	40,753.87	12,669.91	345.00	53,078.78
Tax Maintenance Fund	44,332.62	30,200.72	49,659.59	24,873.75
Log Jam/CDBG Fund	34,346.91	-	-	34,346.91
Senior Citizens Service Fund	81,617.65	165,598.46	144,611.75	102,604.36
Henry County Law Enforcement Fund	206,662.47	2,716,319.15	2,510,443.17	412,538.45
Inmate Security Fund	16,032.71	163,590.66	179,593.68	29.69
TOTAL	$ 4,674,742.60	$ 8,412,689.41	$ 8,604,627.00	$ 4,482,805.01

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 185,000.00	$ 207,352.82	$ 180,000.00	$ 145,012.71
Sales Taxes	1,500,000.00	1,579,993.24	1,275,000.00	1,302,554.33
Intergovernmental	727,270.67	667,329.83	744,531.48	747,281.03
Charges for Services	577,300.00	628,674.61	577,274.63	590,401.98
Interest	18,000.00	36,878.72	6,000.00	19,007.59
Other	35,346.00	37,826.21	40,070.00	56,576.50
Transfers In	245,206.86	245,206.86	600,000.00	600,000.00
TOTAL RECEIPTS	3,288,123.53	3,403,262.29	3,422,876.11	3,460,834.14
DISBURSEMENTS				
County Commission	119,988.65	117,916.93	139,852.40	138,140.93
County Clerk	96,989.56	94,550.24	94,813.52	94,212.48
Elections	145,500.00	85,515.04	70,200.00	53,501.19
Buildings and Grounds	773,286.10	285,528.30	767,110.04	466,976.54
Employee Fringe Benefits	234,000.00	202,049.57	269,000.00	226,718.75
County Treasurer	105,040.00	102,781.07	99,971.02	98,579.23
Collector	27,100.00	24,941.17	26,300.00	19,897.98
Recorder of Deeds	112,000.00	103,765.28	116,479.52	104,162.39
Circuit Clerk	26,000.00	25,827.13	28,000.00	20,378.11
Court Administration	146,836.50	101,384.46	145,662.50	103,879.12
Public Administrator	49,300.00	25,040.00	35,300.00	22,763.50
Prosecuting Attorney	340,000.00	339,953.77	322,000.00	327,372.36
Juvenile Officer	293,011.00	259,740.66	300,423.00	260,916.68
Coroner	53,562.46	36,435.12	46,098.46	45,689.32
Other	453,510.66	382,807.73	453,803.64	417,573.59
Health and Welfare	4,000.00	4,000.00	4,000.00	4,000.00
Debt Service	1,110,000.00	1,109,331.55	1,100,000.00	1,093,796.87
Transfers Out	100,000.00	100,000.00	-	-
Emergency Fund	100,000.00	-	100,000.00	-
TOTAL DISBURSEMENTS	4,290,124.93	3,401,568.02	4,119,014.10	3,498,559.04
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,002,001.40)	1,694.27	(696,137.99)	(37,724.90)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,111,620.20	2,111,620.20	2,149,345.10	2,149,345.10
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,109,618.80	$ 2,113,314.47	$ 1,453,207.11	$ 2,111,620.20

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 127,630.51	$ 127,690.89	$ 117,000.00	$ 121,772.40
Sales Taxes	-	-	-	-
Intergovernmental	848,500.00	900,866.84	757,000.00	840,530.52
Charges for Services	-	-	-	-
Interest	8,000.00	15,849.95	3,000.00	9,735.72
Other	57,600.00	88,187.44	87,600.00	175,075.45
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,041,730.51	1,132,595.12	964,600.00	1,147,114.09
DISBURSEMENTS				
Salaries	221,000.00	212,876.95	185,000.00	185,340.40
Employee Fringe Benefits	70,000.00	59,983.21	61,520.00	61,897.82
Supplies	61,300.00	70,798.91	57,750.00	47,088.94
Insurance	21,000.00	17,842.68	20,000.00	19,904.58
Materials	115,000.00	174,767.27	110,000.00	77,384.82
Equipment Repairs	45,000.00	34,351.90	35,000.00	39,683.13
Equipment Purchases	270,000.00	46,334.26	220,000.00	70,646.29
Road and Bridge Construction	503,197.00	572,554.97	429,697.00	439,866.28
Other	6,000.00	4,407.40	5,000.00	2,739.91
TOTAL DISBURSEMENTS	1,312,497.00	1,193,917.55	1,123,967.00	944,552.17
RECEIPTS OVER (UNDER) DISBURSEMENTS	(270,766.49)	(61,322.43)	(159,367.00)	202,561.92
CASH AND INVESTMENT BALANCES, JANUARY 1	1,431,607.77	1,431,607.77	1,229,045.85	1,229,045.85
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,160,841.28	$ 1,370,285.34	$ 1,069,678.85	$ 1,431,607.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				CENTRAL EMERGENCY COMMUNICATIONS FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 357,596.00	$ 361,498.17	$ 360,519.28	$ 344,250.36	$ -	$ -	$ -	$ -
Charges for Services	-	6,865.00	2,000.00	16,160.00	-	-	-	-
Interest	600.00	714.84	461.56	561.80	-	-	4.28	4.49
Other	30,000.00	26,811.65	42,500.00	28,053.90	-	-	454.50	454.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	388,196.00	395,889.66	405,480.84	389,026.06	-	-	458.78	458.99
DISBURSEMENTS								
Salaries	261,840.00	262,116.22	258,887.19	261,141.09	-	-	-	-
Employee Fringe Benefits	66,000.00	59,303.51	64,500.00	63,590.11	-	-	-	-
Office	21,000.00	16,701.84	36,500.00	12,711.76	-	-	-	-
Equipment	23,000.00	52,739.82	30,000.00	24,825.07	-	-	-	-
Mileage & Training	13,248.48	6,914.70	8,000.00	7,888.61	-	-	-	-
Insurance	5,000.00	4,604.05	4,500.00	4,706.77	-	-	-	-
Pictometry	20,000.00	-	30,000.00	20,526.00	-	-	-	-
Other	-	-	-	-	-	-	7,124.41	7,124.62
TOTAL DISBURSEMENTS	410,088.48	402,380.14	432,387.19	395,389.41	-	-	7,124.41	7,124.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	(21,892.48)	(6,490.48)	(26,906.35)	(6,363.35)	-	-	(6,665.63)	(6,665.63)
CASH AND INVESTMENT BALANCES, JANUARY 1	22,014.32	22,014.32	28,377.67	28,377.67	-	-	6,665.63	6,665.63
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 121.84	$ 15,523.84	$ 1,471.32	$ 22,014.32	$ -	$ -	$ -	$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY'S TRAINING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 6,000.00	$ 6,670.73	$ 6,500.00	$ 6,822.39	$ 1,500.00	$ 1,093.68	$ 1,000.00	$ 1,163.05
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,000.00	6,670.73	6,500.00	6,822.39	1,500.00	1,093.68	1,000.00	1,163.05
DISBURSEMENTS								
Training Expenses	4,500.00	3,352.02	3,500.00	3,488.33	1,087.96	800.00	500.00	1,132.28
Dues and Subscriptions	1,500.00	1,779.25	3,000.00	2,881.89	500.00	-	661.17	-
TOTAL DISBURSEMENTS	6,000.00	5,131.27	6,500.00	6,370.22	1,587.96	800.00	1,161.17	1,132.28
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,539.46	-	452.17	(87.96)	293.68	(161.17)	30.77
CASH AND INVESTMENT BALANCES, JANUARY 1	1,013.93	1,013.93	561.76	561.76	191.94	191.94	161.17	161.17
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 1,013.93	$ 2,553.39	$ 561.76	$ 1,013.93	$ 103.98	$ 485.62	$ -	$ 191.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ADMINISTRATIVE HANDLING COST FUND				SHERIFF REVOLVING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ 620.00	$ -	$ -	$ -	$ -	$ -
Charges for Services	6,000.00	7,551.41	4,000.00	5,138.59	5,000.00	7,326.00	12,000.00	4,922.00
Interest	20.00	62.90	2.00	23.92	-	-	-	-
Other	18,620.00	7,006.48	10,000.00	15,826.05	-	30.00	-	7,700.00
TOTAL RECEIPTS	24,640.00	14,620.79	14,622.00	20,988.56	5,000.00	7,356.00	12,000.00	12,622.00
DISBURSEMENTS								
Office	500.00	335.00	750.00	225.00	-	-	-	-
Restitution Payments	18,000.00	8,139.04	7,000.00	10,771.07	-	-	-	-
Training	-	-	-	-	500.00	693.66	500.00	1,400.00
Equipment	-	-	-	-	1,500.00	934.65	8,000.00	8,426.26
Supplies	-	-	-	-	2,000.00	2,053.08	3,500.00	1,789.00
Services and Other	9,638.64	8,308.26	9,651.17	9,164.62	-	-	-	-
TOTAL DISBURSEMENTS	28,138.64	16,782.30	17,401.17	20,160.69	4,000.00	3,681.39	12,000.00	11,615.26
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,498.64)	(2,161.51)	(2,779.17)	827.87	1,000.00	3,674.61	-	1,006.74
CASH AND INVESTMENT BALANCES, JANUARY 1	3,637.09	3,637.09	2,809.22	2,809.22	1,339.53	1,339.53	332.79	332.79
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 138.45	$ 1,475.58	$ 30.05	$ 3,637.09	$ 2,339.53	$ 5,014.14	$ 332.79	$ 1,339.53

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	VICTIMS OF DOMESTIC VIOLENCE FUND				LOCAL USE TAX FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 250,000.00	$ 253,460.20
Intergovernmental	1,150.00	1,031.00	1,150.00	982.00	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	350.00	4,433.84
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,150.00	1,031.00	1,150.00	982.00	-	-	250,350.00	257,894.04
DISBURSEMENTS								
VDV Disbursements	1,150.00	1,031.00	1,150.00	1,077.00	-	-	-	-
Local Use Tax Expense	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	245,206.86	245,206.86	1,025,000.00	800,000.00
TOTAL DISBURSEMENTS	1,150.00	1,031.00	1,150.00	1,077.00	245,206.86	245,206.86	1,025,000.00	800,000.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	(95.00)	(245,206.86)	(245,206.86)	(774,650.00)	(542,105.96)
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	95.00	95.00	245,206.86	245,206.86	787,312.82	787,312.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ 95.00	$ -	$ -	$ -	$ 12,662.82	$ 245,206.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LOCAL EMERGENCY PLANNING COMMISSION FUND				SHERIFF'S CIVIL FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 3,089.38	$ 3,236.54	$ 3,700.00	$ 3,089.38	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	20,000.00	20,378.21	20,000.00	16,054.46
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,089.38	3,236.54	3,700.00	3,089.38	20,000.00	20,378.21	20,000.00	16,054.46
DISBURSEMENTS								
Office Expenditures	1,260.00	7,035.65	860.00	937.58	-	-	-	-
Mileage and Training	5,900.00	714.00	3,300.00	370.00	-	-	-	-
Supplies	1,500.00	-	-	-	5,000.00	5,605.82	10,000.00	4,567.71
Uniforms	-	-	-	-	15,000.00	10,554.81	20,000.00	21,717.83
Other	4,000.00	-	4,000.00	-	-	-	-	-
TOTAL DISBURSEMENTS	12,660.00	7,749.65	8,160.00	1,307.58	20,000.00	16,160.63	30,000.00	26,285.54
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,570.62)	(4,513.11)	(4,460.00)	1,781.80	-	4,217.58	(10,000.00)	(10,231.08)
CASH AND INVESTMENT BALANCES, JANUARY 1	18,541.28	18,541.28	16,759.48	16,759.48	1,627.74	1,627.74	11,858.82	11,858.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 8,970.66	$ 14,028.17	$ 12,299.48	$ 18,541.28	$ 1,627.74	$ 5,845.32	$ 1,858.82	$ 1,627.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ELECTION SERVICE FUND				RECORDER'S RECORDS STORAGE PRESERVATION FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 17,000.00	$ 10,814.29	$ 17,000.00	$ 7,261.35	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	9,000.00	13,198.00	9,000.00	12,583.50
Interest	-	-	-	-	50.00	137.42	-	86.41
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	17,000.00	10,814.29	17,000.00	7,261.35	9,050.00	13,335.42	9,000.00	12,669.91
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Office Expenses	2,500.00	1,092.99	-	6,400.00	15,000.00	7,720.00	7,000.00	-
Equipment	8,000.00	-	8,000.00	-	15,000.00	4,000.00	10,000.00	345.00
Uniforms	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	20,000.00	-	30,000.00	-
Training and Mileage	-	-	-	-	1,000.00	-	1,000.00	-
Other	5,000.00	177.61	10,000.00	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	15,500.00	1,270.60	18,000.00	6,400.00	51,000.00	11,720.00	48,000.00	345.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,500.00	9,543.69	(1,000.00)	861.35	(41,950.00)	1,615.42	(39,000.00)	12,324.91
CASH AND INVESTMENT BALANCES, JANUARY 1	18,532.41	18,532.41	17,671.06	17,671.06	53,078.78	53,078.78	40,753.87	40,753.87
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 20,032.41	$ 28,076.10	$ 16,671.06	$ 18,532.41	$ 11,128.78	$ 54,694.20	$ 1,753.87	$ 53,078.78

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
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	TAX MAINTENANCE FUND				LOG JAM/CDBG FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	30,000.00	35,193.78	31,091.42	29,503.60	-	-	-	-
Interest	-	-	400.00	68.83	-	-	-	-
Other	-	-	-	628.29	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30,000.00	35,193.78	31,491.42	30,200.72	-	-	-	-
DISBURSEMENTS								
Salaries	-	-	6,375.00	7,000.00	-	-	-	-
Employee Fringe Benefits	-	-	488.00	-	-	-	-	-
Office	26,260.00	19,283.04	20,000.00	30,814.48	-	-	-	-
Equipment	10,000.00	1,109.80	25,000.00	828.58	-	-	-	-
Mileage and Training	3,000.00	1,667.39	3,000.00	1,978.47	-	-	-	-
Postage	10,000.00	151.94	17,000.00	7,005.04	-	-	-	-
Other	5,613.75	155.56	3,000.00	2,033.02	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	54,873.75	22,367.73	74,863.00	49,659.59	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(24,873.75)	12,826.05	(43,371.58)	(19,458.87)	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	24,873.75	24,873.75	44,332.62	44,332.62	34,346.91	34,346.91	34,346.91	34,346.91
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ 37,699.80	$ 961.04	$ 24,873.75	$ 34,346.91	$ 34,346.91	$ 34,346.91	$ 34,346.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SENIOR CITIZENS SERVICE FUND				HENRY COUNTY LAW ENFORCEMENT FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$169,492.19	$168,970.59	$159,381.32	$158,346.51	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	1,375,000.00	1,391,874.90	1,350,000.00	1,405,565.64
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	428,557.00	434,285.01	421,674.41	424,829.25
Interest	-	1,288.51	-	1,131.95	1,000.00	2,682.85	1,000.00	1,924.77
Other	-	1,764.84	-	6,120.00	631,441.00	456,794.12	630,072.13	683,999.49
Transfers In	-	-	-	-	-	100,000.00	-	200,000.00
TOTAL RECEIPTS	169,492.19	172,023.94	159,381.32	165,598.46	2,435,998.00	2,385,636.88	2,402,746.54	2,716,319.15
DISBURSEMENTS								
Office Supplies	900.00	203.41	700.00	52.00	-	-	-	-
Insurance	1,000.00	-	744.00	744.00	-	-	-	-
Mileage & Training	1,000.00	-	1,000.00	136.02	-	-	-	-
Dues and Subscriptions	-	-	200.00	-	-	-	-	-
Senior Programs	35,000.00	23,335.63	35,000.00	24,718.24	-	-	-	-
Contingency	20,000.00	-	20,000.00	-	-	-	-	-
Care Provider	125,968.00	146,031.59	141,400.00	118,961.49	-	-	-	-
Jail Expenditures	-	-	-	-	262,600.00	288,825.75	280,550.00	298,244.25
Salaries	-	-	-	-	1,282,844.00	1,250,538.37	1,163,175.86	1,192,139.32
Employee Fringe Benefits	-	-	-	-	308,818.00	269,548.38	307,183.27	288,510.98
Uniforms	-	-	-	-	-	2,104.29	-	8,751.79
Liability Insurance	-	-	-	-	89,000.00	90,728.19	89,000.00	81,994.77
Equipment	-	-	-	-	638,738.00	665,771.07	615,933.26	614,112.47
Building	-	-	-	-	55,000.00	33,587.52	55,000.00	26,689.59
TOTAL DISBURSEMENTS	183,868.00	169,570.63	199,044.00	144,611.75	2,637,000.00	2,601,103.57	2,510,842.39	2,510,443.17
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,375.81)	2,453.31	(39,662.68)	20,986.71	(201,002.00)	(215,466.69)	(108,095.85)	205,875.98
CASH AND INVESTMENT BALANCES, JANUARY 1	102,604.36	102,604.36	81,617.65	81,617.65	412,538.45	412,538.45	206,662.47	206,662.47
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 88,228.55	$105,057.67	$ 41,954.97	$102,604.36	$ 211,536.45	$ 197,071.76	$ 98,566.62	$ 412,538.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	INMATE SECURITY FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	$ -	$ -	$ 28,000.00	$ -
Charges for Services	173,000.00	162,334.36	159,500.00	157,857.14
Interest	-	-	-	-
Other	5,000.00	4,854.14	-	5,733.52
Transfers In	-	-	-	-
TOTAL RECEIPTS	178,000.00	167,188.50	187,500.00	163,590.66
DISBURSEMENTS				
Supplies	79,000.00	71,772.57	90,000.00	79,047.65
GPS Monitoring	3,000.00	1,054.50	5,500.00	5,703.75
Software Maintenance	30,000.00	16,482.03	30,000.00	14,747.51
Equipment	16,000.00	15,731.22	16,000.00	25,130.23
Inmate Medical	48,000.00	43,811.75	59,000.00	45,137.16
Training	-	-	-	9,429.38
Attorney Fees	2,000.00	1,990.94	2,000.00	398.00
TOTAL DISBURSEMENTS	178,000.00	150,843.01	202,500.00	179,593.68
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	16,345.49	(15,000.00)	(16,003.02)
CASH AND INVESTMENT BALANCES, JANUARY 1	29.69	29.69	16,032.71	16,032.71
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 29.69	$ 16,375.18	$ 1,032.71	$ 29.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	2018					
	Payroll	Surplus Sales	Lieu/Tax	Collector	Recorder	Sheriff
ASSETS						
Cash and Cash Equivalents	$ 23,927.42	$ 13,162.64	$ 4,148.13	$ 11,130,439.08	$ 14,425.00	$ 22,178.10
Total Assets	23,927.42	13,162.64	4,148.13	11,130,439.08	14,425.00	22,178.10
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	23,927.42	13,162.64	4,148.13	11,130,439.08	14,425.00	22,178.10
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 23,927.42	$ 13,162.64	$ 4,148.13	$ 11,130,439.08	$ 14,425.00	$ 22,178.10

	27th Circuit Treatment Court	Total Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 70,596.57	$ 11,278,876.94
Total Assets	70,596.57	11,278,876.94
LIABILITIES AND FUND BALANCES		
TOTAL LIABILITIES	70,596.57	11,278,876.94
UNRESERVED FUND BALANCES	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 70,596.57	$ 11,278,876.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF HENRY
CLINTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	2017					
	Payroll	Surplus Sales	Lieu/Tax	Collector	Recorder	Sheriff
ASSETS						
Cash and Cash Equivalents	$ 12,823.12	$ 12,803.58	$ 19,345.81	$ 10,525,425.96	$ 12,616.50	$ 12,588.29
Total Assets	12,823.12	12,803.58	19,345.81	10,525,425.96	12,616.50	12,588.29
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	12,823.12	12,803.58	19,345.81	10,525,425.96	12,616.50	12,588.29
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 12,823.12	$ 12,803.58	$ 19,345.81	$ 10,525,425.96	$ 12,616.50	$ 12,588.29

	27th Circuit Treatment Court	Total Agency Funds
ASSETS		
Cash and Cash Equivalents	$ 74,378.92	$ 10,669,982.18
Total Assets	74,378.92	10,669,982.18
LIABILITIES AND FUND BALANCES		
TOTAL LIABILITIES	74,378.92	10,669,982.18
UNRESERVED FUND BALANCES	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 74,378.92	$ 10,669,982.18

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Henry, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1834 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of Henry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting require to be reported with the financial data of the County.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the generally accepted basis of accounting, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations that were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	$ 240,701,580	$ 237,530,950
Personal Property	78,979,707	81,225,614
Railroad and Utilities	31,299,156	31,437,506
	$ 350,980,443	$ 350,194,070

During 2018 and 2017, the County Commission approved a $.1170 and $.1032, respectively, tax levy per $100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	$ .0684	$ .0550
Senior Citizens Service Fund	.0486	.0482
	$ .1170	$ .1032

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes depositing funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting. Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amounts of the County's deposits were $4,001,847.49 and $4,482,805.01, and the bank balances were $15,329,515.69 and $14,032,348.40, respectively. As of December 31, 2018, and 2017, the County's deposits were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

Included in the following fund financial statement captions:	
Statements of Receipts, Disbursements and Changes in Cash and Investments – Governmental Funds:	
Deposits	$ 3,398,564.47
Investments	603,283.02
Total Governmental Funds	4,001,847.49
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:	
Deposits	11,278,876.94
Investments	-
Total Deposits and Investments as of December 31, 2018	$ 15,280,724.43

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2017, are as follows:

Included in the following fund financial statement captions:		
Statements of Receipts, Disbursements and Changes in Cash and Investments – Governmental Funds:		
Deposits	$	3,879,110.36
Investments		603,694.65
Total Governmental Funds		4,482,805.01
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:		
Deposits		10,669,982.18
Investments		-
Total Deposits and Investments as of December 31, 2017	$	15,152,787.19

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2018, and 2017.

III. LONG-TERM DEBT

CERTIFICATES OF PARTICIPATION:

On December 26, 2016, the County refinanced $6,650,000 of the 2009 Certificates of Participation with the 2016 Certificates of Participation with First Bank of Missouri with an interest rate of 3%. The Certificates of Participation are solely payable from rents paid by the County to the trustee under the lease purchase agreement. The County's obligations under the lease purchase agreements do not extend beyond the amount budgeted for any respective fiscal year. The County has the option to purchase the trustee's interest in the leased property on any date at an amount necessary to provide for the rent payments on each rent payment date through the end of the leases. Certificates of participation payable at December 31, 2018, and 2017 are as follows:

The following is a schedule of payments made under the agreement as of December 31, 2018.

Description	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018	Interest Paid	Principal Due Within 1 Year
2016 COPS	$ 5,330,000.00	$ -	$ 1,355,000.00	$3,975,000.00	$159,900.00	$365,000.00
TOTAL	$ 5,330,000.00	$ -	$ 1,355,000.00	$3,975,000.00	$159,900.00	$365,000.00

2018 AMORTIZATIONS

Years Ending December 31,	Principal	Interest	Total
2019	$ 365,000.00	$ 119,250.00	$ 484,250.00
2020	385,000.00	108,300.00	493,300.00
2021	400,000.00	96,750.00	496,750.00
2022	415,000.00	84,750.00	499,750.00
2023	450,000.00	72,300.00	522,300.00
2024-2027	1,960,000.00	150,600.00	2,110,600.00
Totals	$ 3,975,000.00	$ 631,950.00	$ 4,606,950.00

The following is a schedule of payments made under the agreement as of December 31, 2017.

Description	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017	Interest Paid	Principal Due Within 1 Year
2016 COPS	$ 6,650,000.00	$ -	$ 1,320,000.00	$ 5,330,000.00	$183,429.17	$1,355,000.00
TOTAL	$ 6,650,000.00	$ -	$ 1,320,000.00	$ 5,330,000.00	$183,429.17	$1,355,000.00

III. LONG-TERM DEBT (continued)

CERTIFICATES OF PARTICIPATION: (concluded)

2017 AMORTIZATIONS

Years Ending December 31,	Principal	Interest	Total
2018	$ 1,355,000.00	$ 159,900.00	$ 1,514,900.00
2019	365,000.00	119,250.00	484,250.00
2020	385,000.00	108,300.00	493,300.00
2021	400,000.00	96,750.00	496,750.00
2022	415,000.00	84,750.00	499,750.00
2023-2027	2,410,000.00	222,900.00	2,632,900.00
Totals	$ 5,330,000.00	$ 791,850.00	$ 6,121,850.00

CAPITAL LEASES:

On January 12, 2016, the County entered into a lease purchase agreement with US Bancorp for $500,000 for the purchase of 911 equipment. The lease purchase agreement calls for twenty semi-annual payments of $28,836.59 starting July 12, 2016, with an interest rate of 2.08%.

The following is a schedule of payments made under the agreement as of December 31, 2018.

Description	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018	Interest Paid	Principal Due Within 1 Year
2016 911 Equipment	$ 433,568.82	$ -	$ 45,851.97	$ 387,716.85	$ 11,821.21	$ 47,144.82
TOTAL	$ 433,568.82	$ -	$ 45,851.97	$ 387,716.85	$ 11,821.21	$ 47,144.82

2018 AMORTIZATIONS

Years Ending December 31,	Principal	Interest	Total
2019	$ 47,144.82	$ 10,528.36	$ 57,673.18
2020	48,474.12	9,199.06	57,673.18
2021	49,840.90	7,832.28	57,673.18
2022	51,246.21	6,426.97	57,673.18
2023	52,691.15	4,982.03	57,673.18
2024-2026	138,319.65	5,863.30	144,182.95
Totals	$ 387,716.85	$ 44,832.00	$ 432,548.85

The following is a schedule of payments made under the agreement as of December 31, 2017.

Description	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017	Interest Paid	Principal Due Within 1 Year
2016 911 Equipment	$ 478,163.41	$ -	$ 44,594.59	$ 433,568.82	$ 13,078.59	$ 45,851.97
TOTAL	$ 478,163.41	$ -	$ 44,594.59	$ 433,568.82	$ 13,078.59	$ 45,851.97

III. LONG-TERM DEBT (continued)

CAPITAL LEASES (concluded)

2017 AMORTIZATIONS

Years Ending December 31,	Principal	Interest	Total
2018	$ 45,851.98	$ 11,821.20	$ 57,673.18
2019	47,144.82	10,528.36	57,673.18
2020	48,474.12	9,199.06	57,673.18
2021	49,840.90	7,832.28	57,673.18
2022	51,246.21	6,426.97	57,673.18
2023-2026	191,010.79	10,845.34	201,856.13
Totals	$ 433,568.82	$ 56,653.21	$ 490,222.03

On November 4, 2015, the County entered into a lease purchase agreement with US Bancorp for $262,241.08 for the purchase of 911 equipment. The lease purchase agreement calls for ten semi-annual payments of $27,747.40 starting May 4, 2016, with an interest rate of 2.08%.

The following is a schedule of payments made under the agreement as of December 31, 2018.

Description	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018	Interest Paid	Principal Due Within 1 Year
2015 911 Equipment	$ 160,588.59	$ -	$ 52,425.76	$ 108,162.83	$ 3,069.04	$ 53,521.89
TOTAL	$ 160,588.59	$ -	$ 52,425.76	$ 108,162.83	$ 3,069.04	$ 53,521.89

2018 AMORTIZATIONS

Years Ending December 31,	Principal	Interest	Total
2019	$ 53,521.89	$ 1,972.91	$ 55,494.80
2020	54,640.94	853.86	55,494.80
Totals	$ 108,162.83	$ 2,826.77	$ 110,989.60

The following is a schedule of payments made under the agreement as of December 31, 2017.

Description	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017	Interest Paid	Principal Due Within 1 Year
2015 911 Equipment	$ 211,940.68	$ -	$ 51,352.09	$ 160,588.59	$ 4,142.71	$ 52,425.76
TOTAL	$ 211,940.68	$ -	$ 51,352.09	$ 160,588.59	$ 4,142.71	$ 52,425.76

2017 AMORTIZATIONS

Years Ending December 31,	Principal	Interest	Total
2018	$ 52,425.76	$ 3,069.04	$ 55,494.80
2019	53,521.89	1,972.91	55,494.80
2020	54,640.94	853.86	55,494.80
Totals	$ 160,588.59	$ 5,895.81	$ 166,484.40

III. LONG-TERM DEBT (concluded)

On June 15, 2018, the County Recorder entered into a lease agreement with Mobilis Technologies LLC for software licenses and certain hardware leases requiring 60 monthly payments of $1,000 to begin on May 1, 2018, and mature on April 1, 2023.

The following is a schedule of payments made under the agreement as of December 31, 2018.

Description	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018	Interest Paid	Principal Due Within 1 Year
Software License	$ -	$ 60,000.00	$ 9,000.00	$ 51,000.00	$ -	$ 12,000.00
TOTAL	$ -	$ 60,000.00	$ 9,000.00	$ 51,000.00	$ -	$ 12,000.00

2018 Future Minimum Payments:

Year Ending December 31	Amount
2019	$ 12,000.00
2020	12,000.00
2021	12,000.00
2022	12,000.00
2023	3,000.00
	$ 51,000.00

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	$ 245,206.86	$ 100,000.00	$ 600,000.00	$ -
Local Use Tax Fund	-	245,206.86	-	800,000.00
Henry County Law Enforcement Fund	100,000.00	-	200,000.00	-
	$ 345,206.86	$ 345,206.86	$ 800,000.00	$ 800,000.00

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit, which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions (concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2018 and 2017, the County collected and remitted to CERF, employee contributions of $164,234.51 and $156,112.55, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $11,628 and $11,628, respectively, for the years ended December 31, 2018, and 2017.

VII. POST-EMPLOYMENT BENEFITS

The County does provide post-employment benefits including, as mandated, the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. Retirees may remain on the health insurance plan until they are Medicare eligible. If an employee has over 25 years of service with the County, the County will continue to pay the same portion of health insurance that they paid before the person retired, until the person becomes Medicare eligible. There were three participants on COBRA for the year ended December 31, 2018, paying premiums of $12,207.43 and one participant for 2017, paying premiums of $5,125.86.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Up to one week of vacation may carry forward if it is unused. Upon termination from county employment, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward six days a year to a maximum of ninety days. Upon termination from county employment, an employee is reimbursed for half of unused sick leave, except if the employee has not worked in the County for ten years. These have not been subjected to auditing procedures.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. OTHER RETIREMENT PLAN

Contributions to a voluntary plan are paid by a voluntary deduction from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to Pepco who administers the 457 Plan. Employee contributions were $60,776.25 and $50,307.56, respectively, for the years 2018 and 2017.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is also a member of the Missouri Rural Services Workers Compensation Insurance Trust. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

As of the date of the audit report, there are no subsequent events to report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

I. For the year ended December 31, 2017, expenditures exceeded those budgeted for the Central Emergency Communications Fund and Administrative Handling Cost Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Henry, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Henry ("County") as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis, A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [2018-001, 2018-002, 2018-003, 2018-004]

Compliance and Other Matters

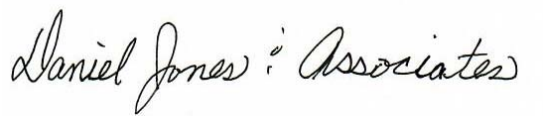
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 19, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County will complete the recommendation of the auditors by developing documentation to outline the County's internal control policy to deter fraud. The County will model its internal control policy from another acceptable government entity. The finished document will be approved by all office holders or department heads within the County. The County Clerk's office phone number is 660-885-7204.

2018-002

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. FINANCIAL STATEMENT FINDINGS (continued)

2018-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The creation of an Internal Control Policy will address and deter potential risks of fraud. The County will work to complete a thorough policy with the assistance of the auditor and other state governmental agencies. The County Clerk's office phone number is 660-885-7204.

2018-003 Criteria: Bank reconciliations must be accurately prepared for the Sheriff's Fee Account to ensure a positive cash balance.

Condition: We noted that the Sheriff's Fee bank account was reconciled to a negative balance.

Context: During our review of the Sheriff's bank accounts, we noticed that the reconciliation was negative for Sheriff's Fee Account.

Effect: Negative bank balances can result in unnecessary bank fees.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations for this account to ensure positive cash balances.

Recommendation: We recommend that the Sheriff's office prepare accurate bank reconciliations for this account.

Views of Responsible Officials and Planned Corrective Actions: The Sheriff's office will take the auditor's recommendation and make sure that the Sheriff's Fee bank account does not go negative. The Sheriff can be reached at 660-885-7021.

2018-004 Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-004 Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance.*

Views of responsible officials and planned corrective actions: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (660) 885-7204.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2016-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County will complete the recommendation of the auditors by developing documentation to outline the County's internal control policy to deter fraud. The County will model its internal control policy from another acceptable government entity. The finished document will be approved by all office holders or department heads within the County. The County Clerk's office phone number is 660-885-7204.

Status: The finding is repeated in the current year as 2018-001.

FS 2016-002

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 2016-002

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of Responsible Officials and Planned Corrective Actions: The creation of an Internal Control Policy will address and deter potential risks of fraud. The County will work to complete a thorough policy with the assistance of the auditor and other state governmental agencies. The County Clerk's office phone number is 660-885-7204.

Status: This finding is repeated in the current year as 2018-002.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2016-001

Federal Grantor:	All
Pass-Through Grantor:	All
Federal CFDA Number:	All
Program Title:	All
Pass- Through Entity Identification Number:	All
Award Year:	2015 and 2016
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance.*

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

Views of responsible officials and planned corrective actions: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (660) 885-7204.

Status: This finding is repeated in the current year as 2018-004.

SA 2016-002	Federal Grantor:	U.S. Department of Transportation, General Services Administration, Election Assistance Commission, U.S. Department of Health and Human Services and U.S. Department of Homeland Security.
	Pass-Through Grantor:	Missouri Highway and Transportation Commission, Missouri Department of Public Safety, Missouri Office of Secretary of State, Missouri Department of Social Services, and the State Emergency Management Agency.
	Federal CFDA Number:	20.205, 20.600, 39.011, 90.401, 93.563, 97.036 and 97.042
	Program Title:	Alcohol Open Container Requirements, Child Support Enforcement, CDBG, BJA Vest Grant and State and Community Highway Safety
	Award year	2016 and 2015
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards.*

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

SA 2016-002 *Recommendation:* The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County will work diligently to comply with and to fully understand the proper procedures of completing the SEFA. As the state does not provide SEFA training, advice may be sought from Certified Public Accountants with SEFA knowledge and local governments. The County Clerk's office will create a spreadsheet to input data relating to expenditures of federal awards. The County Clerk's office phone number is 660-885-7204.

Status: This finding has been resolved in the current audit period.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

July 19, 2019

To the County Commission
The County of Henry, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Henry (the "County") as of and for the years ended December 31, 2018 and December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County will complete the recommendation of the auditors by developing documentation to outline the County's internal control policy to deter fraud. The County will model its internal control policy from another acceptable government entity. The finished document will be approved by all office holders or department heads within the County. The County Clerk's office phone number is 660-885-7204.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2018-002 Views of Responsible Officials and Planned Corrective Actions: The creation of an Internal Control Policy will address and deter potential risks of fraud. The County will work to complete a thorough policy with the assistance of the auditor and other state governmental agencies. The County Clerk's office phone number is 660-885-7204.

2018-003 Criteria: Bank reconciliations must be accurately prepared for the Sheriff's Fee Account to ensure a positive cash balance.

Condition: We noted that the Sheriff's Fee bank account was reconciled to a negative balance.

Context: During our review of the Sheriff's bank accounts, we noticed that the reconciliation was negative for Sheriff's Fee Account.

Effect: Negative bank balances can result in unnecessary bank fees.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations for this account to ensure positive cash balances.

Recommendation: We recommend that the Sheriff's office prepare accurate bank reconciliations for this account.

Views of Responsible Officials and Planned Corrective Actions: The Sheriff's office will take the auditor's recommendation and make sure that the Sheriff's Fee bank account does not go negative. The Sheriff can be reached at 660-885-7021.

2018-004 Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance.*

Views of responsible officials and planned corrective actions: The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (660) 885-7204.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 13, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 19, 2019.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

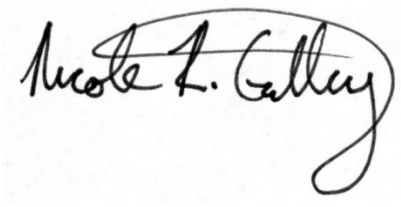
Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity. During our audit we noted that the federal form 941's were not being reconciled to the general ledger on a quarterly basis. We also noted that during testing of accounts payable transactions, it was noted that sales tax was charged on multiple invoices. It was also noted that one expenditure was coded to an incorrect account and there were two missing invoices.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Warren County, Missouri

The Office of the State Auditor contracted for an audit of Warren County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-073

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF WARREN
WARRENTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

THE COUNTY OF WARREN
WARRENTON, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Warren, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Warren (County), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2019, on our consideration of the County of Warren's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Warren's internal control over financial reporting and compliance.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 19, 2019

FINANCIAL STATEMENTS

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENTS JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENTS DECEMBER 31, 2018
General Revenue Fund	$ 1,327,062.84	$ 4,228,133.16	$ 4,575,436.57	$ 979,759.43
Special Road and Bridge Fund	998,583.05	3,161,381.99	3,321,983.25	837,981.79
Assessment Fund	505,735.01	649,595.86	647,018.33	508,312.54
Law Enforcement Fund	102,622.12	3,504,494.58	3,550,623.99	56,492.71
Officers Training Fund	4,972.51	7,734.70	4,625.00	8,082.21
Prosecuting Attorney Training Fund	42,630.38	2,140.43	-	44,770.81
Capital Improvement Fund	1,248,190.94	603,466.78	937,976.31	913,681.41
Delinquent Tax Fund	27,322.12	3,429.52	-	30,751.64
Bad Check Fund	38,363.41	8,118.08	13,066.56	33,414.93
Recorder User Fee Fund	202,781.64	50,925.16	20,425.03	233,281.77
Health Reimbursement Fund	83,628.48	55,500.00	13,775.82	125,352.66
Sheriff's Civil Fees Fund	23,513.91	29,239.03	14,767.08	37,985.86
Road and Bridge Capital Fund	976,796.62	121,715.26	-	1,098,511.88
Prosecuting Attorney Forfeiture Fund	4,610.05	95.76	-	4,705.81
Election Services Fund	21,365.59	9,547.32	5,828.15	25,084.76
Recorder Tech Fund	52,464.38	10,754.20	6,303.23	56,915.35
Sheriff's Forfeiture Fund	1,144.96	23.77	-	1,168.73
Tax Maintenance Fund	269,865.22	60,184.42	52,500.00	277,549.64
Federal Grant Fund	-	214,213.68	214,213.68	-
L.E.P.C. Fund	15,919.02	10,688.23	9,989.84	16,617.41
Sheriff's Revolving Fund	17,572.89	8,128.24	12,768.46	12,932.67
Inmate Security Fund	34,305.42	104,770.67	59,598.75	79,477.34
WCSD Benevolence Fund	8,380.28	3,168.22	2,600.00	8,948.50
Senate Bill 40 Board Fund	1,071,888.87	1,636,017.35	1,486,906.53	1,220,999.69
TOTAL	$ 7,079,719.71	$ 14,483,466.41	$ 14,950,406.58	$ 6,612,779.54

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH AND INVESTMENTS JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH AND INVESTMENTS DECEMBER 31, 2017
General Revenue Fund	$ 1,366,475.89	$ 3,922,378.31	$ 3,961,791.36	$ 1,327,062.84
Special Road and Bridge Fund	1,289,212.36	3,329,849.53	3,620,478.84	998,583.05
Assessment Fund	529,015.14	599,576.35	622,856.48	505,735.01
Law Enforcement Fund	267,788.22	3,232,358.65	3,397,524.75	102,622.12
Officers Training Fund	6,185.43	7,274.04	8,486.96	4,972.51
Prosecuting Attorney Training Fund	41,304.42	1,725.96	400.00	42,630.38
Capital Improvement Fund	903,030.28	624,514.67	279,354.01	1,248,190.94
Delinquent Tax Fund	25,908.63	4,617.85	3,204.36	27,322.12
Bad Check Fund	43,061.52	7,357.11	12,055.22	38,363.41
Recorder User Fee Fund	195,941.88	49,395.76	42,556.00	202,781.64
Health Reimbursement Fund	28,653.81	68,322.00	13,347.33	83,628.48
Sheriff's Civil Fees Fund	12,646.12	20,042.16	9,174.37	23,513.91
Road and Bridge Capital Fund	882,094.75	109,701.87	15,000.00	976,796.62
Prosecuting Attorney Forfeiture Fund	4,562.79	47.26	-	4,610.05
Election Services Fund	26,966.69	6,175.11	11,776.21	21,365.59
Recorder Tech Fund	58,189.81	10,430.08	16,155.51	52,464.38
Sheriff's Forfeiture Fund	1,183.64	11.32	50.00	1,144.96
Tax Maintenance Fund	264,255.54	58,189.45	52,579.77	269,865.22
Federal Grant Fund	-	20,000.00	20,000.00	-
L.E.P.C. Fund	10,241.33	7,133.16	1,455.47	15,919.02
Sheriff's Revolving Fund	21,452.93	9,065.15	12,945.19	17,572.89
Inmate Security Fund	6,940.00	48,693.42	21,328.00	34,305.42
WCSD Benevolence Fund	5,784.11	4,804.54	2,208.37	8,380.28
Senate Bill 40 Board Fund	948,264.69	1,516,455.32	1,392,831.14	1,071,888.87
TOTAL	$ 6,939,159.98	$ 13,658,119.07	$ 13,517,559.34	$ 7,079,719.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 727,300.00	$ 646,828.21	$ 811,000.00	$ 626,956.56
Sales Taxes	1,918,197.00	1,796,469.71	1,606,500.00	1,636,544.56
Intergovernmental	323,777.00	297,701.48	354,472.00	311,837.87
Charges for Services	1,042,798.00	1,063,717.83	1,021,883.00	1,029,474.66
Interest	16,000.00	32,654.29	13,000.00	18,984.59
Other	168,678.00	290,880.64	258,200.00	200,508.07
Transfers In	99,881.00	99,881.00	98,072.00	98,072.00
TOTAL RECEIPTS	4,296,631.00	4,228,133.16	4,163,127.00	3,922,378.31
DISBURSEMENTS				
County Commission	146,908.00	143,743.61	141,803.00	137,944.55
County Clerk	251,159.00	229,823.22	204,128.00	177,572.57
Buildings and Grounds	448,000.00	351,122.88	448,000.00	363,009.71
Planning and Zoning	58,622.00	52,020.92	56,099.00	47,634.42
County Treasurer	65,527.00	63,316.76	63,682.00	62,577.14
Collector	341,589.00	307,801.26	341,589.00	284,043.56
Recorder of Deeds	147,497.00	146,235.65	139,672.00	138,142.35
Circuit Clerk	106,664.00	57,722.93	86,081.00	55,169.10
Surveyor	9,215.00	5,736.73	8,530.00	8,523.81
Sanitation Office	46,147.00	44,839.37	44,374.00	42,304.31
Emergency Manager	76,224.00	75,351.36	100,235.00	95,948.60
Prosecuting Attorney	596,451.00	549,207.35	587,269.00	542,035.92
Associate Division II	9,000.00	5,228.32	9,000.00	5,057.13
Associate Division III	8,000.00	5,958.04	7,000.00	6,409.88
Coroner	43,731.00	43,490.68	38,881.00	38,854.88
Juvenile Office	117,397.00	112,455.46	111,895.00	110,513.08
Public Administrator	40,723.00	33,258.22	38,933.00	32,324.23
Court Reporter	3,000.00	998.00	3,500.00	998.00
Public Health	553,841.00	489,428.99	664,017.00	644,999.97
Circuit Judge	81,898.00	14,216.17	43,600.00	13,864.98
Elections	188,424.00	120,085.62	57,850.00	22,274.97
Administration	678,608.00	763,078.90	596,210.00	520,960.78
Child Support Enforcement	49,488.00	37,781.10	48,265.00	43,909.34
Victim Advocate	56,326.00	50,683.00	54,803.00	51,045.19
Drug Court	10,000.00	5,222.27	10,000.00	6,707.19
Information Technologies	-	-	65,286.00	35,805.70
Transfers Out	1,046,787.00	866,629.76	473,160.00	473,160.00
Emergency Fund	200,000.00	-	200,000.00	-
TOTAL DISBURSEMENTS	5,381,226.00	4,575,436.57	4,643,862.00	3,961,791.36
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,084,595.00)	(347,303.41)	(480,735.00)	(39,413.05)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,327,062.84	1,327,062.84	1,366,475.89	1,366,475.89
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 242,467.84	$ 979,759.43	$ 885,740.89	$ 1,327,062.84

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 1,114,500.00	$ 1,093,917.05	$ 1,158,056.00	$ 1,017,475.25
Sales Taxes	1,150,918.00	1,191,818.45	1,124,550.00	1,145,580.09
Intergovernmental	807,300.00	758,740.83	789,200.00	1,143,332.56
Charges for Services	-	-	-	-
Interest	14,000.00	34,941.26	12,000.00	14,623.63
Other	10,000.00	81,964.40	35,000.00	8,838.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	3,096,718.00	3,161,381.99	3,118,806.00	3,329,849.53
DISBURSEMENTS				
Salaries	425,054.00	357,270.92	425,054.00	366,023.41
Benefits	121,440.00	104,936.15	103,199.00	90,633.05
Office	5,000.00	7,909.06	5,000.00	7,031.11
Equipment	250,000.00	31,762.63	350,000.00	482,986.73
Equipment Repairs	90,000.00	87,203.90	90,000.00	88,519.86
Insurance	48,100.00	46,696.60	46,000.00	39,425.66
Gasoline and Oil	180,000.00	189,495.22	160,000.00	152,622.84
Tools and Supplies	12,000.00	8,557.85	14,500.00	6,835.25
Road & Bridge Materials	1,074,024.00	2,335,269.92	1,290,500.00	2,235,117.93
Other Expenditures	-	-	-	-
Transfers Out	1,881,153.00	152,881.00	1,884,564.00	151,283.00
TOTAL DISBURSEMENTS	4,086,771.00	3,321,983.25	4,368,817.00	3,620,478.84
RECEIPTS OVER (UNDER) DISBURSEMENTS	(990,053.00)	(160,601.26)	(1,250,011.00)	(290,629.31)
CASH AND INVESTMENT BALANCES, JANUARY 1	998,583.05	998,583.05	1,289,212.36	1,289,212.36
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 8,530.05	$ 837,981.79	$ 39,201.36	$ 998,583.05

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				LAW ENFORCEMENT FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ 1,644,168.00	$ 1,702,598.91	$ 1,606,500.00	$ 1,636,552.76
Intergovernmental	576,317.00	601,936.48	569,526.00	568,059.69	462,795.00	355,644.20	425,000.00	428,699.39
Charges for Services	26,000.00	33,236.70	27,680.00	24,445.80	662,500.00	593,091.76	874,125.00	715,485.96
Interest	7,500.00	14,422.68	4,500.00	7,070.86	1,500.00	3,529.95	800.00	1,620.54
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	1,029,787.00	849,629.76	450,000.00	450,000.00
TOTAL RECEIPTS	609,817.00	649,595.86	601,706.00	599,576.35	3,800,750.00	3,504,494.58	3,356,425.00	3,232,358.65
DISBURSEMENTS								
Salaries	309,742.00	259,378.16	267,257.00	257,339.03	2,055,983.00	2,007,052.37	2,067,592.00	2,016,872.25
Benefits	87,320.00	75,923.82	65,482.00	60,143.56	618,083.00	553,007.19	550,079.00	465,851.16
Office	56,022.00	46,502.90	54,000.00	45,545.08	20,882.00	13,540.28	17,350.00	15,251.03
Insurance	6,000.00	4,711.19	6,000.00	4,942.75	142,600.00	144,724.50	129,000.00	133,011.87
Equipment	62,100.00	61,242.09	62,100.00	54,781.01	172,795.00	169,220.22	162,000.00	158,166.02
Training	20,000.00	31,778.12	14,000.00	17,144.37	18,000.00	12,618.45	20,000.00	14,107.76
Professional Services	70,000.00	95,948.28	250,000.00	64,749.68	78,500.00	79,824.14	30,000.00	29,187.24
Mapping and Maintenance	92,738.00	65,533.77	101,200.00	114,158.00	-	-	-	-
Uniforms	-	-	-	-	17,500.00	15,138.25	18,500.00	18,130.79
Automobile	-	-	-	-	102,500.00	105,093.35	123,000.00	96,903.99
Enforcement and Investigations	-	-	-	-	20,000.00	22,414.28	25,000.00	15,722.10
Prisoner Expenses	-	-	-	-	405,000.00	400,490.96	386,000.00	398,422.54
Transfers Out	6,000.00	6,000.00	4,053.00	4,053.00	27,500.00	27,500.00	35,898.00	35,898.00
TOTAL DISBURSEMENTS	709,922.00	647,018.33	824,092.00	622,856.48	3,679,343.00	3,550,623.99	3,564,419.00	3,397,524.75
RECEIPTS OVER (UNDER) DISBURSEMENTS	(100,105.00)	2,577.53	(222,386.00)	(23,280.13)	121,407.00	(46,129.41)	(207,994.00)	(165,166.10)
CASH AND INVESTMENT BALANCES, JANUARY 1	505,735.01	505,735.01	529,015.14	529,015.14	102,622.12	102,622.12	267,788.22	267,788.22
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 405,630.01	$ 508,312.54	$ 306,629.14	$ 505,735.01	$ 224,029.12	$ 56,492.71	$ 59,794.22	$ 102,622.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	OFFICERS TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 7,200.00	$ 7,570.93	$ 8,000.00	$ 7,226.50	$ 1,200.00	$ 1,238.56	$ 500.00	$ 1,294.05
Interest	48.00	163.77	36.00	47.54	300.00	901.87	265.00	431.91
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,248.00	7,734.70	8,036.00	7,274.04	1,500.00	2,140.43	765.00	1,725.96
DISBURSEMENTS								
Training	4,220.00	-	6,221.00	1,382.89	5,000.00	-	5,000.00	-
Tuition	8,000.00	4,625.00	8,000.00	7,104.07	5,000.00	-	5,000.00	400.00
Mileage	-	-	-	-	2,500.00	-	2,500.00	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,220.00	4,625.00	14,221.00	8,486.96	12,500.00	-	12,500.00	400.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,972.00)	3,109.70	(6,185.00)	(1,212.92)	(11,000.00)	2,140.43	(11,735.00)	1,325.96
CASH AND INVESTMENT BALANCES, JANUARY 1	4,972.51	4,972.51	6,185.43	6,185.43	42,630.38	42,630.38	41,304.42	41,304.42
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 0.51	$ 8,082.21	$ 0.43	$ 4,972.51	$ 31,630.38	$ 44,770.81	$ 29,569.42	$ 42,630.38

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	CAPITAL IMPROVEMENT FUND				DELINQUENT TAX FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ 493,250.00	$ 510,779.29	$ 481,950.00	$ 490,962.86	$ -	$ -	$ -	$ -
Intergovernmental	110,000.00	67,977.25	110,000.00	122,141.11	-	-	-	-
Charges for Services	-	-	-	-	5,000.00	2,835.56	8,000.00	4,325.08
Interest	8,500.00	24,710.24	10,363.00	11,410.70	250.00	593.96	200.00	292.77
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	611,750.00	603,466.78	602,313.00	624,514.67	5,250.00	3,429.52	8,200.00	4,617.85
DISBURSEMENTS								
Capital Improvements	1,434,665.00	937,976.31	1,085,343.00	254,040.50	-	-	-	-
Equipment	120,000.00	-	420,000.00	25,313.51	15,000.00	-	15,000.00	3,204.36
Other	3,000.00	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,557,665.00	937,976.31	1,505,343.00	279,354.01	15,000.00	-	15,000.00	3,204.36
RECEIPTS OVER (UNDER) DISBURSEMENTS	(945,915.00)	(334,509.53)	(903,030.00)	345,160.66	(9,750.00)	3,429.52	(6,800.00)	1,413.49
CASH AND INVESTMENT BALANCES, JANUARY 1	1,248,190.94	1,248,190.94	903,030.28	903,030.28	27,322.12	27,322.12	25,908.63	25,908.63
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 302,275.94	$ 913,681.41	$ 0.28	$ 1,248,190.94	$ 17,572.12	$ 30,751.64	$ 19,108.63	$27,322.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	BAD CHECK FUND				RECORDER USER FEE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 8,500.00	$ 7,362.61	$ 8,500.00	$ 6,937.55	$ 46,600.00	$ 46,373.32	$ 48,800.00	$ 47,201.34
Interest	350.00	755.47	330.00	419.56	2,000.00	4,551.84	1,200.00	2,194.42
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,850.00	8,118.08	8,830.00	7,357.11	48,600.00	50,925.16	50,000.00	49,395.76
DISBURSEMENTS								
Salaries	10,000.00	3,226.75	10,000.00	81.22	-	-	-	-
Benefits	970.00	255.84	970.00	6.15	-	-	-	-
Office Equipment	30,000.00	9,583.97	30,000.00	11,967.85	211,000.00	16,921.80	185,000.00	39,838.36
Training	-	-	-	-	3,000.00	3,503.23	3,000.00	-
Archival Prints	-	-	-	-	6,000.00	-	6,000.00	2,717.64
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	40,970.00	13,066.56	40,970.00	12,055.22	220,000.00	20,425.03	194,000.00	42,556.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(32,120.00)	(4,948.48)	(32,140.00)	(4,698.11)	(171,400.00)	30,500.13	(144,000.00)	6,839.76
CASH AND INVESTMENT BALANCES, JANUARY 1	38,363.41	38,363.41	43,061.52	43,061.52	202,781.64	202,781.64	195,941.88	195,941.88
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 6,243.41	$ 33,414.93	$ 10,921.52	$ 38,363.41	$ 31,381.64	$ 233,281.77	$ 51,941.88	$ 202,781.64

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	HEALTH REIMBURSEMENT FUND				SHERIFF'S CIVIL FEES FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	19,500.00	28,537.44	27,895.00	19,745.00
Interest	-	-	-	-	298.00	701.59	122.00	297.16
Other	-	-	-	-	-	-	76.00	-
Transfers In	54,000.00	55,500.00	68,322.00	68,322.00	-	-	-	-
TOTAL RECEIPTS	54,000.00	55,500.00	68,322.00	68,322.00	19,798.00	29,239.03	28,093.00	20,042.16
DISBURSEMENTS								
Reimbursements	137,625.00	13,775.82	96,973.00	13,347.33	-	-	-	-
Equipment	-	-	-	-	43,311.00	14,767.08	40,739.00	9,174.37
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	137,625.00	13,775.82	96,973.00	13,347.33	43,311.00	14,767.08	40,739.00	9,174.37
RECEIPTS OVER (UNDER) DISBURSEMENTS	(83,625.00)	41,724.18	(28,651.00)	54,974.67	(23,513.00)	14,471.95	(12,646.00)	10,867.79
CASH AND INVESTMENT BALANCES, JANUARY 1	83,628.48	83,628.48	28,653.81	28,653.81	23,513.91	23,513.91	12,646.12	12,646.12
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 3.48	$ 125,352.66	$ 2.81	$ 83,628.48	$ 0.91	$ 37,985.86	$ 0.12	$ 23,513.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ROAD AND BRIDGE CAPITAL FUND				PROSECUTING ATTORNEY FORFEITURE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	7,500.00	21,715.26	9,128.00	9,701.87	40.00	95.76	30.00	47.26
Transfers In	100,000.00	100,000.00	100,000.00	100,000.00	-	-	-	-
TOTAL RECEIPTS	107,500.00	121,715.26	109,128.00	109,701.87	40.00	95.76	30.00	47.26
DISBURSEMENTS								
Road and Bridge Construction	782,779.00	-	790,738.00	15,000.00	-	-	-	-
Equipment	100,000.00	-	200,000.00	-	2,500.00	-	2,500.00	-
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	882,779.00	-	990,738.00	15,000.00	2,500.00	-	2,500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(775,279.00)	121,715.26	(881,610.00)	94,701.87	(2,460.00)	95.76	(2,470.00)	47.26
CASH AND INVESTMENT BALANCES, JANUARY 1	976,796.62	976,796.62	882,094.75	882,094.75	4,610.05	4,610.05	4,562.79	4,562.79
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 201,517.62	$ 1,098,511.88	$ 484.75	$ 976,796.62	$ 2,150.05	$ 4,705.81	$ 2,092.79	$ 4,610.05

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ELECTION SERVICES FUND				RECORDER TECH FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	3,000.00	7,677.20	7,358.00	1,759.40	-	-	-	-
Charges for Services	2,000.00	1,417.37	1,600.00	4,186.85	10,000.00	9,605.00	9,000.00	9,850.00
Interest	220.00	452.75	165.00	228.86	500.00	1,149.20	350.00	580.08
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,220.00	9,547.32	9,123.00	6,175.11	10,500.00	10,754.20	9,350.00	10,430.08
DISBURSEMENTS								
Office	7,000.00	2,577.53	5,000.00	1,419.41	2,500.00	1,017.03	2,500.00	1,816.04
Equipment	14,000.00	3,250.62	22,000.00	10,356.80	45,000.00	5,286.20	45,000.00	14,339.47
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	21,000.00	5,828.15	27,000.00	11,776.21	47,500.00	6,303.23	47,500.00	16,155.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	(15,780.00)	3,719.17	(17,877.00)	(5,601.10)	(37,000.00)	4,450.97	(38,150.00)	(5,725.43)
CASH AND INVESTMENT BALANCES, JANUARY 1	21,365.59	21,365.59	26,966.69	26,966.69	52,464.38	52,464.38	58,189.81	58,189.81
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 5,585.59	$ 25,084.76	$ 9,089.69	$ 21,365.59	$ 15,464.38	$ 56,915.35	$ 20,039.81	$ 52,464.38

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF'S FORFEITURE FUND				TAX MAINTENANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 10,000.00	$ -	$ 994.00	$ -	$ 60,000.00	$ 54,801.34	$ 60,000.00	$ 55,551.82
Interest	13.00	23.77	7.00	11.32	1,900.00	5,383.08	1,500.00	2,637.63
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,013.00	23.77	1,001.00	11.32	61,900.00	60,184.42	61,500.00	58,189.45
DISBURSEMENTS								
Equipment	11,157.00	-	2,184.00	-	100,000.00	-	100,000.00	-
Office	-	-	-	50.00	35,000.00	-	35,000.00	79.77
Training	-	-	-	-	5,000.00	-	5,000.00	-
Professional Services	-	-	-	-	77,865.00	500.00	62,287.00	500.00
Transfers Out	-	-	-	-	52,000.00	52,000.00	52,000.00	52,000.00
TOTAL DISBURSEMENTS	11,157.00	-	2,184.00	50.00	269,865.00	52,500.00	254,287.00	52,579.77
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,144.00)	23.77	(1,183.00)	(38.68)	(207,965.00)	7,684.42	(192,787.00)	5,609.68
CASH AND INVESTMENT BALANCES, JANUARY 1	1,144.96	1,144.96	1,183.64	1,183.64	269,865.22	269,865.22	264,255.54	264,255.54
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 0.96	$ 1,168.73	$ 0.64	$ 1,144.96	$ 61,900.22	$ 277,549.64	$ 71,468.54	$ 269,865.22

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	FEDERAL GRANT FUND				L.E.P.C. FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 626,677.00	$ 214,213.68	$ 346,497.00	$ 20,000.00	$ 3,400.00	$ 10,361.95	$ 3,500.00	$ 6,983.93
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	115.00	326.28	70.00	149.23
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	626,677.00	214,213.68	346,497.00	20,000.00	3,515.00	10,688.23	3,570.00	7,133.16
DISBURSEMENTS								
Capital Improvements	626,677.00	214,213.68	346,497.00	20,000.00	-	-	-	-
Equipment	-	-	-	-	5,000.00	760.30	5,000.00	86.70
Training	-	-	-	-	5,000.00	3,695.23	2,500.00	813.55
Office	-	-	-	-	5,938.00	5,534.31	2,719.00	555.22
TOTAL DISBURSEMENTS	626,677.00	214,213.68	346,497.00	20,000.00	15,938.00	9,989.84	10,219.00	1,455.47
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(12,423.00)	698.39	(6,649.00)	5,677.69
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	15,919.02	15,919.02	10,241.33	10,241.33
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ -	$ -	$ -	$ -	$ 3,496.02	$ 16,617.41	$ 3,592.33	$ 15,919.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF'S REVOLVING FUND				INMATE SECURITY FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	9,000.00	7,860.00	71,868.00	8,876.00	48,000.00	103,336.74	14,333.00	48,506.50
Interest	190.00	268.24	213.00	189.15	187.00	1,433.93	55.00	186.92
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	9,190.00	8,128.24	72,081.00	9,065.15	48,187.00	104,770.67	14,388.00	48,693.42
DISBURSEMENTS								
Equipment	15,000.00	4,131.15	75,000.00	6,041.26	20,000.00	19,479.48	15,000.00	3,936.86
Office	11,672.00	8,637.31	18,533.00	6,903.93	62,492.00	40,119.27	6,328.00	17,391.14
TOTAL DISBURSEMENTS	26,672.00	12,768.46	93,533.00	12,945.19	82,492.00	59,598.75	21,328.00	21,328.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(17,482.00)	(4,640.22)	(21,452.00)	(3,880.04)	(34,305.00)	45,171.92	(6,940.00)	27,365.42
CASH AND INVESTMENT BALANCES, JANUARY 1	17,572.89	17,572.89	21,452.93	21,452.93	34,305.42	34,305.42	6,940.00	6,940.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 90.89	$ 12,932.67	$ 0.93	$ 17,572.89	$ 0.42	$ 79,477.34	$ -	$ 34,305.42

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	WCSD BENEVOLENCE FUND				SENATE BILL 40 BOARD FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ 903,025.00	$ 932,985.33	$ 904,099.00	$ 908,965.05
Intergovernmental	-	-	-	-	1,200.00	923.07	2,500.00	1,365.34
Charges for Services	5,000.00	3,001.50	5,000.00	4,757.00	-	-	-	-
Targeted Case Management	-	-	-	-	555,000.00	699,838.92	475,000.00	604,160.49
Interest	48.00	166.72	29.00	47.54	-	2,270.03	-	1,964.44
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,048.00	3,168.22	5,029.00	4,804.54	1,459,225.00	1,636,017.35	1,381,599.00	1,516,455.32
DISBURSEMENTS								
Equipment and Supplies	13,428.00	2,600.00	10,813.00	2,208.37	-	-	-	-
Salaries	-	-	-	-	333,800.00	330,215.92	293,000.00	322,200.31
Benefits	-	-	-	-	173,000.00	177,608.76	157,400.00	187,294.24
Contract Payments	-	-	-	-	841,759.00	899,250.50	827,136.00	813,013.87
Dues	-	-	-	-	6,000.00	5,307.54	6,000.00	4,861.87
Insurance	-	-	-	-	4,500.00	4,366.00	3,000.00	4,367.00
Maintenance	-	-	-	-	2,700.00	347.50	640.00	347.50
Meetings	-	-	-	-	950.00	377.18	560.00	402.11
Office	-	-	-	-	22,710.00	14,365.51	7,600.00	13,680.14
Partnership Waiver Match	-	-	-	-	13,000.00	10,259.36	26,000.00	7,981.68
Professional Services	-	-	-	-	6,500.00	10,411.35	6,500.00	5,065.97
Rent	-	-	-	-	17,200.00	26,880.00	17,000.00	26,730.00
Telephone	-	-	-	-	4,000.00	2,845.02	4,000.00	3,012.43
Utilities	-	-	-	-	4,200.00	4,671.89	3,800.00	3,874.02
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	13,428.00	2,600.00	10,813.00	2,208.37	1,430,319.00	1,486,906.53	1,352,636.00	1,392,831.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,380.00)	568.22	(5,784.00)	2,596.17	28,906.00	149,110.82	28,963.00	123,624.18
CASH AND INVESTMENT BALANCES, JANUARY 1	8,380.28	8,380.28	5,784.11	5,784.11	1,071,888.87	1,071,888.87	948,264.69	948,264.69
CASH AND INVESTMENT BALANCES, DECEMBER 31	$ 0.28	$ 8,948.50	$ 0.11	$ 8,380.28	$ 1,100,794.87	$ 1,220,999.69	$ 977,227.69	$ 1,071,888.87

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	2018					
	Collector	**Recorder**	**Sheriff Account**	**Prosecuting Attorney**	**Library**	**Junior College**
ASSETS						
Cash and Investments	$ 31,267,507.91	$ 25,780.18	$ 20,211.59	$ -	$ -	$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	31,267,507.91	25,780.18	20,211.59	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	31,267,507.91	25,780.18	20,211.59	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 31,267,507.91	$ 25,780.18	$ 20,211.59	$ -	$ -	$ -

	Fire	**Ambulance**	**CERF**	**Cities**	**SB 40**	**Unclaimed Fees**
ASSETS						
Cash and Investments	$ -	$ -	$ 177.23	$ -	$ -	$ 167,233.16
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	177.23	-	-	167,233.16
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	177.23	-	-	167,233.16
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 177.23	$ -	$ -	$ 167,233.16

	Cemetery	**Surplus Land Fund**	**Domestic Violence**	**Trustee Lots**	**Deputy Sheriff Salary Supplement**	**Herman Hospital**
ASSETS						
Cash and Investments	$ 8,539.95	$ 30,777.43	$ 129.28	$ -	$ -	$ -
Investments						
Other Investments	17,128.67	-	-	-	-	-
Total Investments	17,128.67	-	-	-	-	-
Total Assets	25,668.62	30,777.43	129.28	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	25,668.62	30,777.43	129.28	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 25,668.62	$ 30,777.43	$ 129.28	$ -	$ -	$ -

	Septic Escrow	**Bad Check M.O.P.S.**	**School Building Revolving**	**School Fund**	**School Fines & Interest**	**Paid Under Protest**
ASSETS						
Cash and Investments	$ -	$ -	$ 30,691.76	$ -	$ 51,221.41	$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	30,691.76	-	51,221.41	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	30,691.76	-	51,221.41	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 30,691.76	$ -	$ 51,221.41	$ -

	Medical Benefits	**L.E.R.F.**	**Total Agency Funds**
ASSETS			
Cash and Investments	$ 121,637.70	$ 8,425.50	$ 31,732,333.10
Investments			
Other Investments	-	-	17,128.67
Total Investments	-	-	17,128.67
Total Assets	121,637.70	8,425.50	31,749,461.77
LIABILITIES AND FUND BALANCES			
TOTAL LIABILITIES	121,637.70	8,425.50	31,749,461.77
UNRESERVED FUND BALANCES	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 121,637.70	$ 8,425.50	$ 31,749,461.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	2017					
	Collector	Recorder	Sheriff Account	Prosecuting Attorney	Library	Junior College
ASSETS						
Cash and Investments	$ 30,547,382.21	$ 29,228.00	$ 18,675.06	$ -	$ -	$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	30,547,382.21	29,228.00	18,675.06	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	30,547,382.21	29,228.00	18,675.06	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 30,547,382.21	$ 29,228.00	$ 18,675.06	$ -	$ -	$ -

	Fire	Ambulance	CERF	Cities	SB 40	Unclaimed Fees
ASSETS						
Cash and Investments	$ -	$ -	$ 42.94	$ -	$ -	$ 172,691.98
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	42.94	-	-	172,691.98
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	42.94	-	-	172,691.98
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 42.94	$ -	$ -	$ 172,691.98

	Cemetery	Surplus Land Fund	Domestic Violence	Trustee Lots	Deputy Sheriff Salary Supplement	Herman Hospital
ASSETS						
Cash and Investments	$ 6,736.00	$ 23,006.58	$ 70.04	$ -	$ -	$ -
Investments						
Other Investments	17,128.67	-	-	-	-	-
Total Investments	17,128.67	-	-	-	-	-
Total Assets	23,864.67	23,006.58	70.04	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	23,864.67	23,006.58	70.04	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 23,864.67	$ 23,006.58	$ 70.04	$ -	$ -	$ -

	Septic Escrow	Bad Check M.O.P.S.	School Building Revolving	School Fund	School Fines & Interest	Paid Under Protest
ASSETS						
Cash and Investments	$ -	$ -	$ 14,641.64	$ 15,806.01	$ 55,293.92	$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	14,641.64	15,806.01	55,293.92	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	14,641.64	15,806.01	55,293.92	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 14,641.64	$ 15,806.01	$ 55,293.92	$ -

	Medical Benefits	L.E.R.F.	Total Agency Funds
ASSETS			
Cash and Investments	$ 27,990.19	$ -	$ 30,911,564.57
Investments			
Other Investments	-	-	17,128.67
Total Investments	-	-	17,128.67
Total Assets	27,990.19	-	30,928,693.24
LIABILITIES AND FUND BALANCES			
TOTAL LIABILITIES	27,990.19	-	30,928,693.24
UNRESERVED FUND BALANCES	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 27,990.19	$ -	$ 30,928,693.24

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Warren, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1833 by an Act of the Missouri Territory. In addition to the three commissioners, there are eleven elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Treasurer, Coroner, Circuit Clerk, Recorder of Deeds, Prosecuting Attorney, Public Administrator, Surveyor, and Sheriff.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Warren County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is determined upon changes in financial position rather than upon net income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the generally accepted basis of accounting, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations that were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	$ 449,484,684	$ 434,987,335
Personal Property	106,952,556	101,305,967
Railroad and Utilities	33,227,184	36,780,663
	$ 589,664,424	$ 573,073,965

During 2018 and 2017, the County Commission approved a $0.4401 and $0.4360 tax levy, respectively, per $100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	$ 0.1031	$ 0.0990
Special Road and Bridge Fund	0.1767	0.1767
Senate Bill 40 Board Fund	0.1603	0.1603
	$ 0.4401	$ 0.4360

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes depositing funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur among individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available to all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amounts of the County's deposits were $6,612,779.54 and $7,079,719.71, and the bank balances were $30,820,827.11 and $29,792,395.31, respectively. The total bank balance as of December 31, 2018, and December 31, 2017, were insured through the Federal Deposit Insurance Corporation and the securities set by the County's and the Senate Bill 40 Board's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits and cash equivalents	$	6,099,806.53
Investments		512,973.01
Total Governmental Funds		6,612,779.54
Statements of Assets and Liabilities Arising from Cash Transactions – Agency Funds:		
Deposits		31,732,333.10
Investments		17,128.67
Total Agency Funds		31,749,461.77
Total Deposits and Investments as of December 31, 2018	$	38,362,241.31

The carrying values of deposits and investments at December 31, 2017, are as follows:

Statements of Receipts, Disbursements and Changes in Cash and Investment Balances		
Deposits and cash equivalents	$	6,575,927.11
Investments		503,792.60
Total Governmental Funds		7,079,719.71
Statements of Assets and Liabilities Arising from Cash Transactions – Agency Funds:		
Deposits		30,911,564.57
Investments		17,128.67
Total Agency Funds		30,928,693.24
Total Deposits and Investments as of December 31, 2017	$	38,008,412.95

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2018, and 2017.

III. CERTIFICATE OF PARTICIPATION

On August 8, 2018, Warren County issued Series 2018 Lease Certificates of Participation in the amount of $3,600,000. Proceeds from the sale of the series 2018 Certificates, together with other legally available funds of the County, will be used to provide funds to expand the current jail by approximately 52 beds through remodeling the existing space. The term is for 15 years with a variable interest rate from 3.000% to 3.500% with annual payments ranging from $225,000.00 to $300,000.00. These payments will be made out of the General Revenue Fund.

As of December 31, 2018, the unpaid principal balance for the Certificates of Participation were $3,600,000. The payments for the Certificate of Participation agreement of the County are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid	Amounts Due Within One Year
Series 2018 COPS	$ -	$ 3,600,000.00	$ -	$ 3,600,000.00	$ -	$ -
TOTAL	$ -	$ 3,600,000.00	$ -	$ 3,600,000.00	$ -	$ -

III. CERTIFICATE OF PARTICIPATION (concluded)

As of December 31, 2018, the schedule of the County's future payments for the Certificate of Participation are as follows:

:

Year Ending December 31,	Interest	Principal	Total
2019	$ 136,106.25	$ -	$ 136,106.25
2020	111,375.00	225,000.00	336,375.00
2021	104,625.00	225,000.00	329,625.00
2022	97,875.00	225,000.00	322,875.00
2023	91,125.00	225,000.00	316,125.00
2024-2028	344,312.50	1,250,000.00	1,594,312.50
2029-2033	128,125.00	1,450,000.00	1,578,125.00
	$ 1,013,543.75	$ 3,600,000.00	$ 4,613,543.75

IV. CAPITAL LEASES

On April 1, 2010, Warren County entered into a lease purchase agreement with Missouri Bank to build the Warren County Recycle Center. The terms include a principal amount of $200,000 with an interest rate of 3.95%. The County makes the payment for the building but it is reimbursed by the Recycle Center each month. These payments are made out of the General Revenue Fund.

On July 1, 2017, Warren County entered into a lease purchase agreement with the Warren County Health Department to purchase a fitness center building through Missouri Bank. The terms include a principal amount of $150,000 with an interest rate of 3.00% and 10 semi-annual payments of $16,269.53. These payments are made out of the General Revenue Fund.

As of December 31, 2018, the unpaid principal balance for the capital leases was $153,117.99. The payments for the lease purchase agreement of the County are as follows:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid	Amounts Due Within One Year
Recyle Center Building	$ 53,951.57	$ -	$ (22,515.43)	$ 31,436.14	$ 1,726.37	$ 23,421.07
Fitness Center	150,000.00	-	(28,318.15)	121,681.85	4,220.81	29,059.12
TOTAL	$ 203,951.57	$ -	$ (50,833.58)	$ 153,117.99	$ 5,947.18	$ 52,480.19

IV. CAPITAL LEASES (concluded)

As of December 31, 2018, the schedule of the County's future payments for the capital leases are as follows:

Year Ending December 31,	Interest	Principal	Total
2019	$ 4,300.57	$ 52,480.19	$ 56,780.76
2020	2,662.60	37,956.96	40,619.56
2021	1,671.58	30,867.38	32,538.96
2022	725.55	31,813.46	32,539.01
	$ 9,360.30	$ 153,117.99	$ 162,478.29

As of December 31, 2017, the unpaid principal balance for the capital lease was $203,951.57. The future payments for the County's lease purchase agreements are as follows:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid	Amounts Due Within One Year
Recyle Center Building	$ 75,596.37	$ -	$ (21,644.80)	$ 53,951.57	$ 2,597.00	$ 22,515.43
Fitness Center	-	150,000.00	-	150,000.00	-	28,318.15
TOTAL	$ 75,596.37	$ 150,000.00	$ (21,644.80)	$ 203,951.57	$ 2,597.00	$ 50,833.58

As of December 31, 2017, the schedule of the County's future payments for the capital lease are as follows:

Year Ended December 31,	Interest	Principal	Total
2018	$ 5,947.18	$ 50,833.58	$ 56,780.76
2019	4,300.57	52,480.19	56,780.76
2020	2,662.60	37,956.96	40,619.56
2021	1,671.58	30,867.38	32,538.96
2022	725.55	31,813.46	32,539.01
	$ 15,307.48	$ 203,951.57	$ 219,259.05

V. OPERATING LEASES

On August 18, 2014, the Assessor's office entered into a 60-month lease with Marco Technologies, formerly Data Comm, for a copier with a monthly payment of $352.00. The County paid off the lease in September of 2017 for $4,065. These payments are made out of the Assessment Fund.

On June 30, 2016, the Sheriff's office entered into a 36-month lease with Lease Finance Partners for 22 wearable cameras with a monthly payment of $1,406.00. These payments are made out of the Sheriff's Civil Fees Fund.

V. OPERATING LEASES (concluded)

On September 24, 2018, the Assessor's office entered into a 60-month lease with Great America Financial Services for the lease of copier equipment with a monthly payment of $1,535.43. These payments are made out of the Assessment Fund.

The future payments for the County's operating leases as of December 31, 2018, are as follows:

Year Ending December 31	Assessor Copier	Sheriff Cameras	Total
2019	$ 18,425.16	$ 8,436.00	$ 26,861.16
2020	18,425.16	-	18,425.16
2021	18,425.16	-	18,425.16
2022	18,425.16	-	18,425.16
2023	13,818.87	-	13,818.87
	$ 87,519.51	$ 8,436.00	$ 95,955.51

The future payments for the County's operating leases as of December 31, 2017, are as follows:

Year Ending December 31	Assessor Copier	Sheriff Cameras	Total
2018	$ 4,606.29	$ 16,872.00	$ 21,478.29
2019	18,425.16	8,436.00	26,861.16
2020	18,425.16	-	18,425.16
2021	18,425.16	-	18,425.16
2022	18,425.16	-	18,425.16
2023	13,818.87	-	13,818.87
	$ 92,125.80	$ 25,308.00	$ 117,433.80

VI. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue Fund	$ 99,881.00	$ 866,629.76	$ 98,072.00	$ 473,160.00
Special Road and Bridge Fund	-	152,881.00	-	151,283.00
Assessment Fund	-	6,000.00	-	4,053.00
Law Enforcement Fund	849,629.76	27,500.00	450,000.00	35,898.00
Health Reimbursement Fund	55,500.00	-	68,322.00	-
Road and Bridge Capital Fund	100,000.00	-	100,000.00	-
Tax Maintenance Fund	-	52,000.00	-	52,000.00
TOTAL	$ 1,105,010.76	$ 1,105,010.76	$716,394.00	$ 716,394.00

VI. INTERFUND TRANSFERS (concluded)

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (Concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2018 and 2017, the County collected and remitted to CERF, employee contributions of $333,221.98 and $315,466.14, respectively, for the years then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $11,628.00 and $11,628.00, respectively, for the years ended December 31, 2018, and 2017.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were three participants at December 31, 2018, and four participants at December 31, 2017, which contributed a total of $6,002.96 and $4,740.29, respectively.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in a potential legal claim at December 31, 2018. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. County officials believe that such litigation and claims will ultimately be resolved without material financial liability, if any, to the County.

B. Compensated Absences (Vacation and Sick Time)

Warren County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation leave earned must be used within one year of earning the leave. Upon termination from county employment, an employee is not reimbursed for unused vacation if the required notice time is not met. If required notice time is met, then the unused vacation time will be reimbursed. Sick time is offered to full time employees after the first 90 days of employment. A maximum of 240 hours can be accrued but these hours cannot be accrued while the employee is absent from work. These have not been subjected to auditing procedures.

X. CLAIMS COMMITMENTS AND CONTINGENCIES (Concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

XII. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

I. For the year ended December 31, 2018, actual expenses exceeded budgeted expenses in the Senate Bill 40 Board Fund.

II. For the year ended December 31, 2017, actual expenses exceeded budgeted expenses in the Senate Bill 40 Board Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Warren, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Warren ("County"), Missouri as of and for the years ended December 31, 2018, and 2017, and the notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 19, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency. (2018-001)

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 19, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001

Criteria: Investments made out of the regular bank accounts of the County should be recorded as investment assets, not expensed out of the funds.

Condition: We noted that investments made for the Capital Improvement Fund and the Road and Bridge Capital Fund were expensed in the amount of $300,000.00 and $200,000.00, respectively, during 2017. These amounts were not being properly shown as additional assets for the respective funds. Interest income for the Capital Improvement Fund from these investments in the amounts of $2,275.56 for 2017 and $5,508.25 for 2018 were not being represented in the County's financial statements and general ledger. Interest income for the Road and Bridge Capital Fund from these investments in the amounts of $1,517.04 for 2017 and $3,672.16 for 2018 were not being represented in the County's financial statements and general ledger.

Context: This deficiency became apparent through our testing of the Treasurer's cash accounts and the related reconciliations.

Effect: Errors in reporting expenses versus a transfer of assets misrepresent the financial condition of the County within the respective funds.

Cause: Management misclassed transactions for expenses rather than a transfer of assets.

Recommendation: We recommend that the Treasurer's office reclass these transactions as a transfer of assets and record the interest revenue for each fund for each respective year. We also recommend ensuring that this practice is carried through for any future investments made within any fund for the County.

Views of Responsible Officials and Planned Corrective Actions: The Treasurer's Office (Jeffrey A. Hoelscher) has already begun implementing the auditor's recommendation. The Treasurer's office is working on reclassing the expenses to assets, recording interest revenue, and plans to have this implemented by the next audit period. The Treasurer's office phone number is (636) 456-3389.

THE COUNTY OF WARREN
WARRENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the years ended December 31, 2016, and December 31, 2015.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

July 19, 2019

To the County Commission
The County of Warren, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Warren (the "County") as of and for the years ended December 31, 2018 and December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the County's internal control to be a significant deficiency as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiency Considered to be Significant
II. Information Required by Professional Standards

The County's management has provided a written response to the finding in this report that was identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001 Criteria: Investments made out of the regular bank accounts of the County should be recorded as investment assets, not expensed out of the funds.

Condition: We noted that investments made for the Capital Improvement Fund and the Road and Bridge Capital Fund were expensed in the amount of $300,000.00 and $200,000.00, respectively, during 2017. These amounts were not being properly shown as additional assets for the respective funds. Interest income for the Capital Improvement Fund from these investments in the amounts of $2,275.56 for 2017 and $5,508.25 for 2018 were not being represented in the County's financial statements and general ledger. Interest income for the Road and Bridge Capital Fund from these investments in the amounts of $1,517.04 for 2017 and $3,672.16 for 2018 were not being represented in the County's financial statements and general ledger.

Context: This deficiency became apparent through our testing of the Treasurer's cash accounts and the related reconciliations.

Effect: Errors in reporting expenses versus a transfer of assets misrepresent the financial condition of the County within the respective funds.

Cause: Management misclassed transactions for expenses rather than a transfer of assets.

Recommendation: We recommend that the Treasurer's office reclass these transactions as a transfer of assets and record the interest revenue for each fund for each respective year. We also recommend ensuring that this practice is carried through for any future investments made within any fund for the County.

Views of Responsible Officials and Planned Corrective Actions: The Treasurer's Office (Jeffrey A. Hoelscher) has already begun implementing the auditor's recommendation. The Treasurer's office is working on reclassing the expenses to assets, recording interest revenue, and plans to have this implemented by the next audit period. The Treasurer's office phone number is (636) 456-3389.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 3, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Significant Audit Matters (concluded)

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 19, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

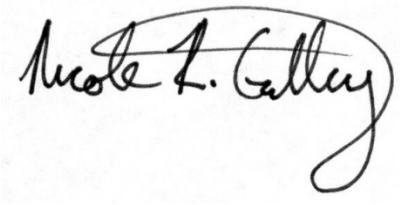
Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Butler County, Missouri

The Office of the State Auditor contracted for an audit of the Butler County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-072

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Butler, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Butler ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Butler's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2019, on our consideration of the County of Butler's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Butler's internal control over financial reporting and compliance.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 2, 2019

FINANCIAL STATEMENTS

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH DECEMBER 31, 2018
General Revenue Fund	$ 1,531,559.58	$ 4,423,286.83	$ 4,156,358.97	$ 1,798,487.44
Special Road and Bridge Fund	1,583,728.41	3,690,277.10	3,006,046.94	2,267,958.57
Assessment Fund	546,861.02	606,780.88	527,890.98	625,750.92
Law Enforcement Training Fund	7,954.17	20,215.75	15,115.97	13,053.95
Prosecuting Attorney Training Fund	530.08	808.74	-	1,338.82
CDBG Fund	75,121.48	1,282,399.25	1,357,399.25	121.48
Prosecuting Attorney Delinquent Fund	-	-	-	-
Eastern Capital Improvement Fund	534,998.27	1,206,008.15	1,082,711.85	658,294.57
Western Capital Improvement Fund	433,458.41	1,207,460.95	1,046,196.02	594,723.34
Care of the Handicapped Fund	521,234.92	615,789.20	319,264.90	817,759.22
Drainage District 12 Fund	22,569.32	3,249.45	420.00	25,398.77
Domestic Violence Fund	4,582.71	7,610.00	8,382.89	3,809.82
Sheriff Commissary Fund	19,872.66	49,689.96	50,148.04	19,414.58
Delta Regional Authority Fund	79.62	125,428.98	125,428.98	79.62
Community Policing Fund	2.96	-	-	2.96
Sheriff Drug Fund	2,357.00	-	1,527.15	829.85
Special Elections Fund/HAVA Fund	10,153.14	148,333.50	133,588.19	24,898.45
P.A. Administrative Cost Handling Fund	11,368.87	39,440.57	49,567.92	1,241.52
Recorder User Fee Fund	333,351.77	32,819.58	16,965.00	349,206.35
Butler County 911 Fund	43,424.22	117,492.37	137,194.03	23,722.56
Health and Dental Escrow Fund	140,359.93	1,495,086.75	1,490,116.25	145,330.43
Senior Citizens Fund	150,523.09	301,147.71	290,234.40	161,436.40
Law Enforcement Restitution Fund	13,725.41	34,530.53	33,456.25	14,799.69
Sheriff Civil Fund	39,534.44	41,476.53	64,867.66	16,143.31
Sheriff Revolving Fund	4,265.86	8,318.00	8,031.43	4,552.43
Law Enforcement Complex Fund	416,765.21	3,258,479.57	3,456,496.78	218,748.00
Collector's Tax Maintenance Fund	123,795.61	72,253.93	47,214.73	148,834.81
Administrative Handling Fund	19,787.52	4,912.50	12,854.36	11,845.66
TOTAL	$ 6,591,965.68	$ 18,793,296.78	$ 17,437,478.94	$ 7,947,783.52

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH DECEMBER 31, 2017
General Revenue Fund	$ 1,161,660.08	$ 4,480,176.42	$ 4,110,276.92	$ 1,531,559.58
Special Road and Bridge Fund	837,393.42	3,178,438.96	2,432,103.97	1,583,728.41
Assessment Fund	461,366.30	612,090.04	526,595.32	546,861.02
Law Enforcement Training Fund	5,991.82	10,172.37	8,210.02	7,954.17
Prosecuting Attorney Training Fund	688.41	898.21	1,056.54	530.08
CDBG Fund	35,130.66	371,884.80	331,893.98	75,121.48
Prosecuting Attorney Delinquent Fund	343.46	-	343.46	-
Eastern Capital Improvement Fund	437,250.25	975,950.23	878,202.21	534,998.27
Western Capital Improvement Fund	407,533.96	975,587.59	949,663.14	433,458.41
Care of the Handicapped Fund	361,994.04	591,262.87	432,021.99	521,234.92
Drainage District 12 Fund	35,556.22	2,177.67	15,164.57	22,569.32
Domestic Violence Fund	4,591.62	8,305.90	8,314.81	4,582.71
Sheriff Commissary Fund	18,991.09	61,945.08	61,063.51	19,872.66
Delta Regional Authority Fund	79.62	125,260.73	125,260.73	79.62
Community Policing Fund	2.96	100.00	100.00	2.96
Sheriff Drug Fund	428.45	1,928.55	-	2,357.00
Special Elections Fund/HAVA Fund	80,971.87	90,381.48	161,200.21	10,153.14
P.A. Administrative Cost Handling Fund	28,463.08	41,285.53	58,379.74	11,368.87
Recorder User Fee Fund	325,125.64	33,091.14	24,865.01	333,351.77
Butler County 911 Fund	49,133.10	129,776.91	135,485.79	43,424.22
Health and Dental Escrow Fund	112,714.83	1,408,783.90	1,381,138.80	140,359.93
Senior Citizens Fund	156,493.22	294,353.42	300,323.55	150,523.09
Law Enforcement Restitution Fund	16,657.20	31,029.00	33,960.79	13,725.41
Sheriff Civil Fund	9,429.98	38,640.73	8,536.27	39,534.44
Sheriff Revolving Fund	4,317.34	4,912.60	4,964.08	4,265.86
Law Enforcement Complex Fund	285,017.82	3,455,156.31	3,323,408.92	416,765.21
Collector's Tax Maintenance Fund	115,887.13	70,373.24	62,464.76	123,795.61
Administrative Handling Fund	15,524.12	4,291.40	28.00	19,787.52
TOTAL	$ 4,968,737.69	$ 16,998,255.08	$ 15,375,027.09	$ 6,591,965.68

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 620,000.00	$ 665,974.84	$ 620,000.00	$ 665,981.18
Sales Taxes	2,200,000.00	2,368,419.16	2,180,000.00	2,370,622.99
Intergovernmental	391,300.00	298,934.27	400,988.18	407,811.18
Charges for Services	932,741.62	1,046,983.49	908,500.00	971,693.77
Interest	10,000.00	18,307.22	10,000.00	13,539.51
Other	25,800.00	24,667.85	32,734.50	50,527.79
Transfers In	-	-	-	-
TOTAL RECEIPTS	4,179,841.62	4,423,286.83	4,152,222.68	4,480,176.42
DISBURSEMENTS				
County Commission	143,194.31	132,967.68	143,194.31	133,686.36
County Clerk	180,659.14	174,436.44	178,573.54	165,205.49
Elections	260,487.02	178,299.54	88,500.00	50,401.52
Buildings and Grounds	438,848.00	351,614.14	485,229.60	356,508.97
Employee Fringe Benefits	811,800.00	690,931.54	805,200.00	688,891.44
County Treasurer	111,266.31	115,918.94	110,538.41	103,345.21
Collector	177,924.82	162,364.09	174,831.07	160,247.06
Recorder of Deeds	192,368.64	190,810.58	192,148.54	186,497.69
Circuit Clerk	82,000.00	51,924.10	82,000.00	55,572.75
Court Administration	23,185.00	8,372.04	23,185.00	14,355.95
Public Administrator	139,847.07	120,376.93	140,028.85	127,268.70
Prosecuting Attorney	360,272.81	365,218.76	343,542.09	343,631.82
Juvenile Officer	271,355.94	284,010.30	282,316.26	257,438.64
Coroner	122,643.51	110,818.03	122,643.51	100,652.07
Support Enforcement	122,606.30	118,427.05	120,364.02	120,689.04
Civil Defense	79,940.00	63,906.27	74,450.00	84,542.64
Other	962,426.22	583,712.54	957,352.12	709,741.57
Health and Welfare	5,000.00	2,250.00	5,000.00	1,600.00
Transfers Out	500,000.00	450,000.00	500,000.00	450,000.00
Emergency Fund	450,000.00	-	450,000.00	-
TOTAL DISBURSEMENTS	5,435,825.09	4,156,358.97	5,279,097.32	4,110,276.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,255,983.47)	266,927.86	(1,126,874.64)	369,899.50
CASH BALANCES, JANUARY 1	1,531,559.58	1,531,559.58	1,161,660.08	1,161,660.08
CASH BALANCES, DECEMBER 31	$ 275,576.11	$ 1,798,487.44	$ 34,785.44	$ 1,531,559.58

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 157,500.00	$ 193,593.42	$ 157,000.00	$ 163,507.48	$ -	$ -	$ -	$ -
Sales Taxes	970,000.00	1,015,036.71	920,000.00	1,015,981.25	-	-	-	-
Intergovernmental	4,151,542.07	2,352,130.75	3,492,655.20	1,980,619.12	539,441.00	585,909.10	545,253.00	595,124.65
Charges for Services	-	-	-	-	1,000.00	35.00	6,000.00	305.00
Interest	5,000.00	14,875.62	3,000.00	10,437.41	6,500.00	5,598.98	4,500.00	5,316.53
Other	75,000.00	114,640.60	-	7,893.70	12,000.00	15,237.80	7,000.00	11,343.86
Transfers In	50,000.00	-	50,000.00	-	-	-	-	-
TOTAL RECEIPTS	5,409,042.07	3,690,277.10	4,622,655.20	3,178,438.96	558,941.00	606,780.88	562,753.00	612,090.04
DISBURSEMENTS								
Salaries	1,397,400.00	1,356,548.02	1,370,000.00	1,310,068.00	273,103.68	272,628.82	268,986.81	271,812.11
Employee Fringe Benefits	892,000.00	688,418.89	872,000.00	714,710.47	143,000.00	132,163.68	143,000.00	129,544.92
Uniforms	27,500.00	18,129.68	20,500.00	18,301.80	-	-	-	-
Supplies	360,000.00	233,777.99	360,000.00	213,010.93	-	-	-	-
Insurance	125,000.00	107,846.22	115,000.00	107,572.46	-	-	-	-
Road and Bridge Materials	15,000.00	3,904.90	10,000.00	4,510.36	-	-	-	-
Equipment Repairs	20,000.00	-	20,000.00	-	-	-	-	-
Rentals	1,500.00	250.00	1,500.00	580.00	-	-	-	-
Road and Bridge Construction	2,954,837.20	557,980.25	2,330,302.00	23,091.01	-	-	-	-
Utilities	50,000.00	28,155.91	50,000.00	27,640.72	-	-	-	-
Mileage and Training	10,000.00	4,737.00	10,000.00	7,501.24	40,000.00	31,796.62	27,500.00	30,458.07
Office	6,500.00	1,036.90	-	5,116.98	36,300.00	21,707.34	42,000.00	34,093.50
Equipment	98,000.00	-	-	-	-	-	3,000.00	890.33
Computer Software	-	-	-	-	34,900.00	31,554.21	57,750.00	42,307.30
State Appeal Expense	-	-	-	-	-	-	17,000.00	17,489.09
Service Contracts	-	-	-	-	55,100.00	38,040.31	-	-
Other	5,000.00	5,261.18	10,000.00	-	-	-	-	-
TOTAL DISBURSEMENTS	5,962,737.20	3,006,046.94	5,169,302.00	2,432,103.97	582,403.68	527,890.98	559,236.81	526,595.32
RECEIPTS OVER (UNDER) DISBURSEMENTS	(553,695.13)	684,230.16	(546,646.80)	746,334.99	(23,462.68)	78,889.90	3,516.19	85,494.72
CASH BALANCES, JANUARY 1	1,583,728.41	1,583,728.41	837,393.42	837,393.42	546,861.02	546,861.02	461,366.30	461,366.30
CASH BALANCES, DECEMBER 31	$ 1,030,033.28	$ 2,267,958.57	$ 290,746.62	$ 1,583,728.41	$ 523,398.34	$ 625,750.92	$ 464,882.49	$ 546,861.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	5,700.00	4,720.75	5,700.00	5,172.37	900.00	808.74	1,000.00	898.21
Interest	-	-	-	-	-	-	-	-
Other	-	495.00	-	-	-	-	-	-
Transfers In	15,000.00	15,000.00	5,000.00	5,000.00	-	-	-	-
TOTAL RECEIPTS	20,700.00	20,215.75	10,700.00	10,172.37	900.00	808.74	1,000.00	898.21
DISBURSEMENTS								
Tuition	18,000.00	8,835.00	7,000.00	3,775.00	1,200.00	-	1,650.00	1,056.54
Mileage and Lodging	6,000.00	4,432.22	5,000.00	2,506.31	-	-	-	-
Office	2,000.00	1,848.75	2,000.00	1,928.71	-	-	-	-
TOTAL DISBURSEMENTS	26,000.00	15,115.97	14,000.00	8,210.02	1,200.00	-	1,650.00	1,056.54
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,300.00)	5,099.78	(3,300.00)	1,962.35	(300.00)	808.74	(650.00)	(158.33)
CASH BALANCES, JANUARY 1	7,954.17	7,954.17	5,991.82	5,991.82	530.08	530.08	688.41	688.41
CASH BALANCES, DECEMBER 31	$ 2,654.17	$ 13,053.95	$ 2,691.82	$ 7,954.17	$ 230.08	$ 1,338.82	$ 38.41	$ 530.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	CDBG FUND				PROSECUTING ATTORNEY DELINQUIENT FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$1,731,804.40	$1,282,399.25	$1,846,080.82	$ 371,884.80	$ -	$ -	$ 50.00	$ -
Grant Receipts	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,731,804.40	1,282,399.25	1,846,080.82	371,884.80	-	-	50.00	-
DISBURSEMENTS								
Road and Bridge Projects	1,806,804.40	1,357,399.25	1,881,090.00	331,893.98	-	-	-	-
Services and Other	-	-	-	-	-	-	350.00	343.46
TOTAL DISBURSEMENTS	1,806,804.40	1,357,399.25	1,881,090.00	331,893.98	-	-	350.00	343.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	(75,000.00)	(75,000.00)	(35,009.18)	39,990.82	-	-	(300.00)	(343.46)
CASH BALANCES, JANUARY 1	75,121.48	75,121.48	35,130.66	35,130.66	-	-	343.46	343.46
CASH BALANCES, DECEMBER 31	$ 121.48	$ 121.48	$ 121.48	$ 75,121.48	$ -	$ -	$ 43.46	$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	EASTERN CAPITAL IMPROVEMENT FUND				WESTERN CAPITAL IMPROVEMENT FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ 780,000.00	$ 845,853.60	$ 780,000.00	$ 846,607.18	$ 780,000.00	$ 845,853.60	$ 780,000.00	$ 846,607.16
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,000.00	4,707.38	3,000.00	3,950.05	3,000.00	4,010.59	3,000.00	3,587.43
Other	347,800.00	355,447.17	125,393.00	125,393.00	347,300.00	357,596.76	125,393.00	125,393.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,130,800.00	1,206,008.15	908,393.00	975,950.23	1,130,300.00	1,207,460.95	908,393.00	975,587.59
DISBURSEMENTS								
Road Improvements and Construction	943,000.00	711,585.64	893,000.00	584,598.99	913,000.00	675,069.87	893,000.00	655,310.02
Equipment	450,000.00	321,719.05	370,000.00	260,058.22	450,000.00	321,719.05	370,000.00	260,808.21
TIF Payment	70,000.00	49,407.16	52,000.00	33,545.00	70,000.00	49,407.10	52,000.00	33,544.91
TOTAL DISBURSEMENTS	1,463,000.00	1,082,711.85	1,315,000.00	878,202.21	1,433,000.00	1,046,196.02	1,315,000.00	949,663.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	(332,200.00)	123,296.30	(406,607.00)	97,748.02	(302,700.00)	161,264.93	(406,607.00)	25,924.45
CASH BALANCES, JANUARY 1	534,998.27	534,998.27	437,250.25	437,250.25	433,458.41	433,458.41	407,533.96	407,533.96
CASH BALANCES, DECEMBER 31	$ 202,798.27	$ 658,294.57	$ 30,643.25	$ 534,998.27	$ 130,758.41	$ 594,723.34	$ 926.96	$ 433,458.41

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	CARE OF THE HANDICAPPED FUND				DRAINAGE DISTRICT 12 FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 556,000.00	$ 607,158.05	$526,000.00	$ 583,815.53	$ 2,000.00	$ 3,052.83	$ 2,200.00	$ 1,927.84
Intergovernmental	1,500.00	1,649.32	1,500.00	1,806.14	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	4,000.00	6,981.83	2,500.00	5,641.20	200.00	196.62	200.00	249.83
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	561,500.00	615,789.20	530,000.00	591,262.87	2,200.00	3,249.45	2,400.00	2,177.67
DISBURSEMENTS								
Adapt	70,000.00	53,142.90	170,000.00	169,999.99	-	-	-	-
MAG	265,000.00	265,000.00	260,900.00	260,900.00	-	-	-	-
Care of the Handicapped	1,122.00	1,122.00	1,403.00	1,122.00	-	-	-	-
Drainage Expenses	-	-	-	-	420.00	420.00	420.00	420.00
Emergency Repairs	-	-	-	-	24,000.00	-	37,000.00	14,744.57
TOTAL DISBURSEMENTS	336,122.00	319,264.90	432,303.00	432,021.99	24,420.00	420.00	37,420.00	15,164.57
RECEIPTS OVER (UNDER) DISBURSEMENTS	225,378.00	296,524.30	97,697.00	159,240.88	(22,220.00)	2,829.45	(35,020.00)	(12,986.90)
CASH BALANCES, JANUARY 1	521,234.92	521,234.92	361,994.04	361,994.04	22,569.32	22,569.32	35,556.22	35,556.22
CASH BALANCES, DECEMBER 31	$ 746,612.92	$ 817,759.22	$459,691.04	$ 521,234.92	$ 349.32	$ 25,398.77	$ 536.22	$ 22,569.32

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	DOMESTIC VIOLENCE FUND				SHERIFF COMMISSARY FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	8,600.00	7,610.00	8,700.00	8,305.90	60,000.00	49,689.96	72,000.00	61,945.08
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,600.00	7,610.00	8,700.00	8,305.90	60,000.00	49,689.96	72,000.00	61,945.08
DISBURSEMENTS								
Grants and Fees	8,600.00	8,382.89	9,000.00	8,314.81	-	-	-	-
Commissary	-	-	-	-	51,000.00	45,603.80	61,200.00	49,318.26
Supplies	-	-	-	-	3,000.00	514.50	2,500.00	2,509.75
Transfers Out	-	-	-	-	6,000.00	4,029.74	8,300.00	9,235.50
TOTAL DISBURSEMENTS	8,600.00	8,382.89	9,000.00	8,314.81	60,000.00	50,148.04	72,000.00	61,063.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(772.89)	(300.00)	(8.91)	-	(458.08)	-	881.57
CASH BALANCES, JANUARY 1	4,582.71	4,582.71	4,591.62	4,591.62	19,872.66	19,872.66	18,991.09	18,991.09
CASH BALANCES, DECEMBER 31	$ 4,582.71	$ 3,809.82	$ 4,291.62	$ 4,582.71	$ 19,872.66	$ 19,414.58	$18,991.09	$ 19,872.66

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	DELTA REGIONAL AUTHORITY FUND				COMMUNITY POLICING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 57,543.00	$ 125,428.98	$ 196,138.00	$ 125,260.73	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	5,000.00	-	5,000.00	100.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	57,543.00	125,428.98	196,138.00	125,260.73	5,000.00	-	5,000.00	100.00
DISBURSEMENTS								
Levee Improvements	-	-	95,000.00	81,715.73	-	-	-	-
Overpass Project	57,543.00	125,428.98	101,138.00	43,545.00	-	-	-	-
Public Service Announcements	-	-	-	-	5,000.00	-	5,000.00	100.00
TOTAL DISBURSEMENTS	57,543.00	125,428.98	196,138.00	125,260.73	5,000.00	-	5,000.00	100.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH BALANCES, JANUARY 1	79.62	79.62	79.62	79.62	2.96	2.96	2.96	2.96
CASH BALANCES, DECEMBER 31	$ 79.62	$ 79.62	$ 79.62	$ 79.62	$ 2.96	$ 2.96	$ 2.96	$ 2.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF DRUG FUND				SPECIAL ELECTIONS FUND/HAVA FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ 249,607.65	$ 148,333.50	$ 120,000.00	$ 90,381.48
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	30,000.00	-	30,000.00	1,928.55	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30,000.00	-	30,000.00	1,928.55	249,607.65	148,333.50	120,000.00	90,381.48
DISBURSEMENTS								
Office	10,000.00	-	10,000.00	-	11,500.00	7,180.66	8,000.00	3,109.12
Equipment	10,000.00	1,527.15	10,000.00	-	-	-	76,000.00	75,375.00
Training	10,000.00	-	10,000.00	-	-	-	-	-
Supplies	-	-	-	-	130,000.00	72,914.27	56,000.00	42,050.78
Mileage	-	-	-	-	3,000.00	513.03	3,000.00	-
Rent	-	-	-	-	4,000.00	3,100.00	2,000.00	1,900.00
Elections	-	-	-	-	111,107.65	49,880.23	55,500.00	38,765.31
TOTAL DISBURSEMENTS	30,000.00	1,527.15	30,000.00	-	259,607.65	133,588.19	200,500.00	161,200.21
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(1,527.15)	-	1,928.55	(10,000.00)	14,745.31	(80,500.00)	(70,818.73)
CASH BALANCES, JANUARY 1	2,357.00	2,357.00	428.45	428.45	10,153.14	10,153.14	80,971.87	80,971.87
CASH BALANCES, DECEMBER 31	$ 2,357.00	$ 829.85	$ 428.45	$ 2,357.00	$ 153.14	$ 24,898.45	$ 471.87	$ 10,153.14

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	P.A. ADMINISTRATIVE COST HANDLING FUND				RECORDER USER FEE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 30,000.00	$ 39,350.56	$ 40,000.00	$ 41,166.45	$ 27,000.00	$ 27,572.75	$ 21,015.00	$ 26,485.02
Interest	150.00	90.01	300.00	119.08	5,370.00	5,246.83	5,000.00	6,606.12
Other	-	-	-	-	-	-	-	-
Transfers In	20,000.00	-	-	-	-	-	-	-
TOTAL RECEIPTS	50,150.00	39,440.57	40,300.00	41,285.53	32,370.00	32,819.58	26,015.00	33,091.14
DISBURSEMENTS								
Office	6,000.00	3,528.88	6,500.00	7,718.33	-	-	-	-
Court Reporting	350.00	50.00	4,500.00	5,144.95	-	-	-	-
Publications	6,500.00	7,280.14	10,500.00	12,073.24	-	-	-	-
Equipment	24,500.00	16,553.33	25,500.00	15,175.64	54,600.00	16,965.00	49,500.00	-
Special Prosecutor	4,000.00	4,000.00	5,000.00	3,062.50	-	-	-	-
Dues and Memberships	1,000.00	820.00	500.00	1,646.30	-	-	-	-
Mileage & Training	8,000.00	8,240.03	6,000.00	6,126.41	-	-	-	-
Records Preservation	-	-	-	-	-	-	17,000.00	24,865.01
Services and Other	4,344.00	9,095.54	10,244.00	7,432.37	-	-	-	-
TOTAL DISBURSEMENTS	54,694.00	49,567.92	68,744.00	58,379.74	54,600.00	16,965.00	66,500.00	24,865.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,544.00)	(10,127.35)	(28,444.00)	(17,094.21)	(22,230.00)	15,854.58	(40,485.00)	8,226.13
CASH BALANCES, JANUARY 1	11,368.87	11,368.87	28,463.08	28,463.08	333,351.77	333,351.77	325,125.64	325,125.64
CASH BALANCES, DECEMBER 31	$ 6,824.87	$ 1,241.52	$ 19.08	$ 11,368.87	$ 311,121.77	$ 349,206.35	$ 284,640.64	$ 333,351.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	BUTLER COUNTY 911 FUND				HEALTH AND DENTAL ESCROW FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 120,000.00	$ 116,884.00	$ 130,000.00	$ 129,071.24	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	500.00	608.37	300.00	705.67	-	-	-	-
Other	-	-	-	-	1,457,000.00	1,495,086.75	1,415,000.00	1,408,783.90
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	120,500.00	117,492.37	130,300.00	129,776.91	1,457,000.00	1,495,086.75	1,415,000.00	1,408,783.90
DISBURSEMENTS								
911 Expenses	20,000.00	15,434.87	20,000.00	15,543.33	-	-	-	-
Utilities	50,000.00	41,759.16	50,000.00	39,942.46	-	-	-	-
County Insurance Premiums	-	-	-	-	1,280,000.00	1,326,113.23	1,300,000.00	1,207,549.49
CERF	-	-	-	-	2,000.00	1,506.87	1,583.40	1,598.40
Payroll Deductions	-	-	-	-	175,000.00	162,496.15	180,000.00	171,990.91
Transfers Out	80,000.00	80,000.00	80,000.00	80,000.00	-	-	-	-
TOTAL DISBURSEMENTS	150,000.00	137,194.03	150,000.00	135,485.79	1,457,000.00	1,490,116.25	1,481,583.40	1,381,138.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,500.00)	(19,701.66)	(19,700.00)	(5,708.88)	-	4,970.50	(66,583.40)	27,645.10
CASH BALANCES, JANUARY 1	43,424.22	43,424.22	49,133.10	49,133.10	140,359.93	140,359.93	112,714.83	112,714.83
CASH BALANCES, DECEMBER 31	$ 13,924.22	$ 23,722.56	$ 29,433.10	$ 43,424.22	$ 140,359.93	$ 145,330.43	$ 46,131.43	$ 140,359.93

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SENIOR CITIZENS FUND				LAW ENFORCEMENT RESTITUTION FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ 274,000.00	$ 298,525.12	$ 274,000.00	$ 286,699.06	$ -	$ -	$ -	$ -
Intergovernmental	-	820.36	-	5,809.35	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	1,667.96	-	1,845.01	-	-	-	-
Other	-	134.27	-	-	31,500.00	34,530.53	27,500.00	31,029.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	274,000.00	301,147.71	274,000.00	294,353.42	31,500.00	34,530.53	27,500.00	31,029.00
DISBURSEMENTS								
Nutrition	160,404.00	160,242.00	163,600.00	161,470.66	-	-	-	-
Home Health Services	65,000.00	62,594.85	70,000.00	66,136.95	-	-	-	-
Transportation	40,000.00	40,000.08	40,000.00	40,000.06	-	-	-	-
Support Service	29,000.00	26,982.92	29,500.00	27,536.81	-	-	-	-
Administration	20,000.00	414.55	18,000.00	5,179.07	-	-	-	-
Equipment and Supplies	-	-	-	-	40,000.00	33,456.25	40,000.00	33,960.79
TOTAL DISBURSEMENTS	314,404.00	290,234.40	321,100.00	300,323.55	40,000.00	33,456.25	40,000.00	33,960.79
RECEIPTS OVER (UNDER) DISBURSEMENTS	(40,404.00)	10,913.31	(47,100.00)	(5,970.13)	(8,500.00)	1,074.28	(12,500.00)	(2,931.79)
CASH BALANCES, JANUARY 1	150,523.09	150,523.09	156,493.22	156,493.22	13,725.41	13,725.41	16,657.20	16,657.20
CASH BALANCES, DECEMBER 31	$ 110,119.09	$ 161,436.40	$ 109,393.22	$ 150,523.09	$ 5,225.41	$ 14,799.69	$ 4,157.20	$ 13,725.41

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF CIVIL FUND				SHERIFF REVOLVING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	$ 38,000.00	$ 41,220.50	$ 40,500.00	$ 38,452.33	$ 5,000.00	$ 8,318.00	$ 15,000.00	$ 4,912.60
Interest	150.00	256.03	50.00	188.40	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	38,150.00	41,476.53	40,550.00	38,640.73	5,000.00	8,318.00	15,000.00	4,912.60
DISBURSEMENTS								
Sheriff Civil Expense	6,000.00	4,867.66	4,500.00	3,536.27	-	-	-	-
Office	-	-	-	-	1,000.00	1,739.53	1,000.00	809.84
Equipment	-	-	-	-	1,200.00	161.90	1,200.00	184.33
Services and Other	-	-	-	-	4,500.00	3,630.00	3,000.00	3,969.91
Transfers Out	60,000.00	60,000.00	40,000.00	5,000.00	2,500.00	2,500.00	-	-
TOTAL DISBURSEMENTS	66,000.00	64,867.66	44,500.00	8,536.27	9,200.00	8,031.43	5,200.00	4,964.08
RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,850.00)	(23,391.13)	(3,950.00)	30,104.46	(4,200.00)	286.57	9,800.00	(51.48)
CASH BALANCES, JANUARY 1	39,534.44	39,534.44	9,429.98	9,429.98	4,265.86	4,265.86	4,317.34	4,317.34
CASH BALANCES, DECEMBER 31	$ 11,684.44	$ 16,143.31	$ 5,479.98	$ 39,534.44	$ 65.86	$ 4,552.43	$ 14,117.34	$ 4,265.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LAW ENFORCEMENT COMPLEX FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ 1,700,000.00	$ 1,691,707.36	$ 1,700,000.00	$ 1,693,244.89	$ -	$ -	$ -	$ -
Intergovernmental	942,100.00	696,964.01	909,000.00	966,678.35	68,000.00	70,037.04	68,000.00	64,838.59
Charges for Services	168,000.00	120,247.58	179,000.00	164,487.85	-	-	-	-
Interest	2,000.00	1,242.89	1,500.00	2,018.19	2,000.00	2,216.89	2,000.00	5,534.65
Other	124,000.00	166,787.99	68,000.00	89,491.53	-	-	-	-
Transfers In	583,500.00	581,529.74	585,300.00	539,235.50	-	-	-	-
TOTAL RECEIPTS	3,519,600.00	3,258,479.57	3,442,800.00	3,455,156.31	70,000.00	72,253.93	70,000.00	70,373.24
DISBURSEMENTS								
Sheriff-Salaries	1,177,295.77	1,175,111.03	1,150,681.36	1,145,954.34	-	-	-	-
Jail-Salaries	441,000.25	429,570.09	411,867.24	428,226.09	-	-	-	-
Employee Fringe Benefits	788,500.00	709,268.94	833,000.00	705,929.16	-	-	-	-
Sheriff Expense	420,000.00	406,779.92	335,600.00	338,500.76	-	-	-	-
Jail Expense	419,000.00	337,531.43	380,000.00	350,136.17	-	-	-	-
Buildings and Grounds	409,000.00	398,235.37	414,500.00	354,662.40	-	-	-	-
Equipment and Computer	-	-	-	-	175,000.00	47,214.73	175,000.00	62,464.76
TOTAL DISBURSEMENTS	3,654,796.02	3,456,496.78	3,525,648.60	3,323,408.92	175,000.00	47,214.73	175,000.00	62,464.76
RECEIPTS OVER (UNDER) DISBURSEMENTS	(135,196.02)	(198,017.21)	(82,848.60)	131,747.39	(105,000.00)	25,039.20	(105,000.00)	7,908.48
CASH BALANCES, JANUARY 1	416,765.21	416,765.21	285,017.82	285,017.82	123,795.61	123,795.61	115,887.13	115,887.13
CASH BALANCES, DECEMBER 31	$ 281,569.19	$ 218,748.00	$ 202,169.22	$ 416,765.21	$ 18,795.61	$ 148,834.81	$ 10,887.13	$ 123,795.61

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ADMINISTRATIVE HANDLING FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	4,500.00	4,625.00	5,000.00	4,015.00
Interest	275.00	287.50	200.00	276.40
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	4,775.00	4,912.50	5,200.00	4,291.40
DISBURSEMENTS				
Prosecuting Attorney Expenses	18,000.00	12,854.36	10,000.00	28.00
TOTAL DISBURSEMENTS	18,000.00	12,854.36	10,000.00	28.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,225.00)	(7,941.86)	(4,800.00)	4,263.40
CASH BALANCES, JANUARY 1	19,787.52	19,787.52	15,524.12	15,524.12
CASH BALANCES, DECEMBER 31	$ 6,562.52	$ 11,845.66	$ 10,724.12	$ 19,787.52

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	2018					
	School Account	Surplus Land Tax	Drug Court	CERF	Payroll Account	Prosecuting Attorney
ASSETS						
Cash and Cash Equivalents	$ 114,943.36	$ 69,696.80	$ 19,985.32	$ (292.03)	$ 3,656.32	$ 8,121.42
Total Assets	114,943.36	69,696.80	19,985.32	(292.03)	3,656.32	8,121.42
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	114,943.36	69,696.80	19,985.32	(292.03)	3,656.32	8,121.42
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 114,943.36	$ 69,696.80	$ 19,985.32	$ (292.03)	$ 3,656.32	$ 8,121.42

	Recorder of Deeds	Sheriff Civil Account	Sheriff Inmate Account	Sheriff Reserve Fund	Sheriff Canine Program	Collectors Accounts
ASSETS						
Cash and Cash Equivalents	$ 20,878.02	$ 1,306.08	$ 8,188.48	$ 323.46	$ 300.69	$ 22,537,669.74
Total Assets	20,878.02	1,306.08	8,188.48	323.46	300.69	22,537,669.74
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	20,878.02	1,306.08	8,188.48	323.46	300.69	22,537,669.74
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 20,878.02	$ 1,306.08	$ 8,188.48	$ 323.46	$ 300.69	$ 22,537,669.74

	Total 2018 Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 22,784,777.66
Total Assets	22,784,777.66
LIABILITIES AND FUND BALANCES	
TOTAL LIABILITIES	22,784,777.66
UNRESERVED FUND BALANCES	-
TOTAL LIABILITIES AND FUND BALANCES	$ 22,784,777.66

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	2017					
	School Account	Surplus Land Tax	Drug Court	CERF	Payroll Account	Prosecuting Attorney
ASSETS						
Cash and Cash Equivalents	$ 73,156.95	$ 91,918.86	$ 20,595.05	$ 4,432.06	$ 2,387.40	$ 15,333.14
Total Assets	73,156.95	91,918.86	20,595.05	4,432.06	2,387.40	15,333.14
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	73,156.95	91,918.86	20,595.05	4,432.06	2,387.40	15,333.14
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 73,156.95	$ 91,918.86	$ 20,595.05	$ 4,432.06	$ 2,387.40	$ 15,333.14

	Recorder of Deeds	Sheriff Civil Account	Sheriff Inmate Account	Sheriff Reserve Fund	Sheriff Canine Program	Collectors Accounts
ASSETS						
Cash and Cash Equivalents	$ 23,682.43	$ 4,213.11	$ 12,540.56	$ 398.46	$ 300.69	$ 23,065,894.77
Total Assets	23,682.43	4,213.11	12,540.56	398.46	300.69	23,065,894.77
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	23,682.43	4,213.11	12,540.56	398.46	300.69	23,065,894.77
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 23,682.43	$ 4,213.11	$ 12,540.56	$ 398.46	$ 300.69	$ 23,065,894.77

	Total 2017 Agency Funds
ASSETS	
Cash and Cash Equivalents	$ 23,314,853.48
Total Assets	23,314,853.48
LIABILITIES AND FUND BALANCES	
TOTAL LIABILITIES	23,314,853.48
UNRESERVED FUND BALANCES	-
TOTAL LIABILITIES AND FUND BALANCES	$ 23,314,853.48

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Butler, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1849 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of Butler County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	$ 458,941,900	$ 445,300,690
Personal Property	134,310,179	128,557,308
Railroad and Utilities	28,348,547	27,256,076
	$ 621,600,626	$ 601,114,074

During 2018 and 2017, the County Commission approved a $.2597 and $.2678, respectively, tax levy per $100 of assessed valuation of tangible taxable, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	$ .0893	$ .0934
Special Road and Bridge Fund	.0262	.0305
Care of the Handicapped Fund	.0963	.0961
Senior Citizens Fund	.0479	.0478
	$ 0.2597	$ 0.2678

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash balances are separately held by several of the County’s funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amounts of the County's deposits were $7,947,783.52 and $6,591,965.68, respectively, and the bank balances were $24,968,765.58 and $23,659,779.11, respectively. As of December 31, 2018, and 2017, the County’s deposits were insured through the Federal Deposit Insurance Corporation and securities set by the County’s financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash Balances – Governmental Funds:	
Deposits	$ 7,947,783.52
Total Governmental Funds	7,947,783.52
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:	
Deposits	22,784,777.66
Total Deposits as of December 31, 2018	$ 30,732,561.18

II. DEPOSITS (concluded)

The carrying values of deposits at December 31, 2017, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash Balances – Governmental Funds:		
Deposits	$	6,591,965.68
Total Governmental Funds		6,591,965.68
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:		
Deposits		23,314,853.48
Total Deposits as of December 31, 2017	$	29,906,819.16

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2018, and 2017.

III. LONG-TERM DEBT

CAPITAL LEASES:

The County entered into a capital lease agreement with Willard and Janice Allison for housing the Butler County Juvenile Center, including a detention center and Edgewood Home. The lease has a principal of $144,000.00 with 0% interest. Monthly payments of $1,000.00, beginning on September 1, 2005, with a 144-month term, are stated in the agreement. The capital lease ended in August 2017.

The County entered into a capital lease purchase agreement with Dominion Voting, for the purchase of election equipment for the County in the amount of $150,750.00, in January 2017. The term of the lease is 36 months with 0% interest and consist of payment at delivery of $75,375.00 and consecutive yearly payments of $45,225.00 and $30,150.00. The lease ends in January 2019.

The County entered into a capital lease purchase agreement with Tri-State Trucking for Mack Trucks for $266,538.00, in October 2018. The lease ends October 15, 2020, with a nominal interest rate of 3.790%. Payments of $34,571.97 and $214,000 are to be paid in the next two consecutive years with interest and principal combined.

The County entered into a capital lease purchase agreement with Tri-State Trucking for Mack Trucks for $262,164.00, in September 2018. The lease ends September 20, 2020, with a nominal interest rate of 3.790%. Payments of $32,344.30 and $214,000.00 are to be paid in the next two consecutive years with interest and principal combined.

The County entered into a capital lease purchase agreement with Tri-State Trucking for Mack Trucks for $219,110.00, in September 2018. The lease ends October 20, 2020, with a nominal interest rate of 3.790%. Payments of $31,219.40 and $170,000 are to be paid in the next two consecutive years with interest and principal combined.

The following is a schedule of payments made under the agreement as of December 31, 2018.

Description	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018	Interest Paid	Principal Due Within 1 Year
Dominion Voting	$ 75,375.00	$ -	$ 45,225.00	$ 30,150.00	$ -	$ 30,150.00
Mack Trucks	-	266,538.00	34,571.97	231,966.03	-	25,780.46
Mack Trucks	-	262,164.00	32,344.30	229,819.70	-	23,634.13
Mack Trucks	-	219,110.00	31,219.40	187,890.60	-	24,098.34
TOTAL	$ 75,375.00	$ 747,812.00	$ 143,360.67	$679,826.33	$ -	$ 103,662.93

2018 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2019	$ 103,662.93	$ 24,662.74	$ 128,285.67
2020	576,163.40	21,836.60	598,000.00
	$ 679,826.33	$ 46,459.34	$ 726,285.67

III. LONG-TERM DEBT (continued)

CAPITAL LEASES: (concluded)

The following is a schedule of payments made under the agreement as of December 31, 2017.

Description	Balance 12/31/2016	Additions	Retirements	Balance 12/31/2017	Interest Paid	Principal Due Within 1 Year
Capital Lease	$ 8,000.00	$ -	$ 8,000.00	$ -	$ -	$ -
Dominion Voting	-	150,750.00	75,375.00	75,375.00	-	45,225.00
TOTAL	$ 8,000.00	$ 150,750.00	$ 83,375.00	$ 75,375.00	$ -	$ 45,225.00

2017 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2018	$ 45,225.00	$ -	$ 45,225.00
2019	30,150.00	-	30,150.00
	$ 75,375.00	$ -	$ 75,375.00

OPERATING LEASES:

In 2014, the County entered into an operating agreement with Pitney Bowes for a postage meter. The lease agreement calls for monthly payments of $324.95 for 60 months.

In May of 2017, the Prosecuting Attorney entered into a lease agreement for a copier. The lease requires 60 monthly payments of $132.24.

In January 2017, the Clerk entered into a lease agreement for network equipment. The lease requires 36 monthly payments of $85.00.

In January 2017, the Recorder entered into a lease agreement for network equipment. The lease requires 36 monthly payments of $85.00.

In August 2018, the County entered into an operating agreement with Pitney Bowes for a postage meter. The lease agreement calls for monthly payments of $297.47 for 60 months.

2018 AMORTIZATIONS

Year Ending December 31	Postage Meter	P.A. Copier	Clerk Network	Recorder Network	Total
2019	$ 3,569.64	$ 1,586.88	$ 1,020.00	$ 1,020.00	$ 7,196.52
2020	3,569.64	1,586.88	1,020.00	1,020.00	7,196.52
2021	3,569.64	1,586.88	-	-	5,156.52
2022	3,569.64	661.20	-	-	4,230.84
2023	3,272.17	-	-	-	3,272.17
	$ 17,550.73	$ 5,421.84	$ 2,040.00	$ 2,040.00	$ 27,052.57

III. LONG-TERM DEBT (concluded)

OPERATING LEASES (concluded)

2017 AMORTIZATIONS

Year Ending December 31	Postage Meter	P.A. Copier	Clerk Network	Recorder Network	Total
2018	$ 3,871.92	$ 1,586.88	$ 1,020.00	$ 1,020.00	$ 7,498.80
2019	-	1,586.88	1,020.00	1,020.00	3,626.88
2020	-	1,586.88	1,020.00	1,020.00	3,626.88
2021	-	1,586.88	-	-	1,586.88
2022	-	661.20	-	-	661.20
	$ 3,871.92	$ 7,008.72	$ 3,060.00	$ 3,060.00	$ 17,000.64

On October 5, 2016, the County entered into a lease agreement with three other counties to lease office space for the public defender. The lease calls for monthly payments of $2,062.50 for 60 months. The County is only responsible for 55.809% of the monthly rent. The lease ends on December 31, 2019. Below are the minimum lease payments as of December 31, 2018, and December 31, 2017.

2018 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2019	$ 13,812.72	$ 13,812.72
	$ 13,812.72	$ 13,812.72

2017 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2018	$ 13,812.72	$ 13,812.72
2019	13,812.72	13,812.72
	$ 27,625.44	$ 27,625.44

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	$ -	$ 450,000.00	$ -	$ 450,000.00
Law Enforcement Training Fund	15,000.00	-	5,000.00	-
Sheriff Commissary Fund	-	4,029.74	-	9,235.50
Butler County 911 Fund	-	80,000.00	-	80,000.00
Sheriff Civil Fund	-	60,000.00	-	5,000.00
Sheriff Revolving Fund	-	2,500.00	-	-
Law Enforcement Complex Fund	581,529.74	-	539,235.50	-
TOTAL	$ 596,529.74	$ 596,529.74	$ 544,235.50	$ 544,235.50

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Butler County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Butler County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Sections 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

	2018 Valuation
Benefit Multiplier:	2.00%
Final Average Salary:	3 Years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	General	Police	Road
Inactive employees or beneficiaries currently receiving benefits	40	25	32
Inactive employees entitled to but not yet receiving benefits	29	22	6
Active employees	53	24	31
	122	71	69

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 13.4% (General), 12.8% (Police) and 17.0% (Roads) of annual covered payroll for 2018.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division	Roads Division
A. Total Pension Liability			
1 Service Cost	$ 250,978	$ 123,087	$ 161,202
2 Interest on Total Pension Liability	717,501	240,791	553,159
3 Changes of Benefit Terms	-	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(169,062)	(68,422)	(233,457)
5 Changes of Assumptions	-	-	-
6 Benefit payments, including refunds of employee contributions	(381,024)	(79,224)	(324,420)
7 Net change in total pension liability	418,393	216,232	156,484
8 Total pension liability - beginning	9,960,457	3,299,708	7,709,954
9 Total pension liability - ending	$ 10,378,850	$ 3,515,940	$ 7,866,438
B. Plan Fiduciary Net Position			
1 Contributions - employer	$ 311,236	$ 138,436	$ 231,975
2 Contributions - employee	-	-	-
3 Net investment income	1,222,242	424,597	909,699
4 Benefit payments, including refunds of employee contributions	(381,024)	(79,224)	(324,420)
5 Pension plan administrative expense	(9,476)	(5,121)	(5,975)
6 Other (net transfer)	73,576	708	35,464
7 Net change in plan fiduciary net position	1,216,554	479,396	846,743
8 Plan fiduciary net position - beginning	9,881,601	3,371,014	7,266,545
9 Plan fiduciary net position - ending	$ 11,098,155	$ 3,850,410	$ 8,113,288
C. Net Pension Liability / (Asset)	$ (719,305)	$ (334,470)	$ (246,850)
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	106.93%	109.51%	103.14%
E. Covered-Employee Payroll	$ 1,937,983	$ 926,607	$ 1,271,034
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-37.12%	-36.10%	-19.42%

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	$ 11,767,112	$ 10,378,850	$ 9,232,344
Plan Fiduciary Net Position	11,098,155	11,098,155	11,098,155
Net Pension Liability / (Asset) (NPL)	$ 668,957	$ (719,305)	$ (1,865,811)
Police Division:			
Total Pension Liability (TPL)	$ 4,174,160	$ 3,515,940	$ 2,993,989
Plan Fiduciary Net Position	3,850,410	3,850,410	3,850,410
Net Pension Liability / (Asset) (NPL)	$ 323,750	$ (334,470)	$ (856,421)
Roads Division:			
Total Pension Liability (TPL)	$ 8,995,411	$ 7,866,438	$ 6,940,763
Plan Fiduciary Net Position	8,113,288	8,113,288	8,113,288
Net Pension Liability / (Asset) (NPL)	$ 882,123	$ (246,850)	$ (1,172,525)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the employer recognized pension expense of $(38,628) (General), $30,997 (Police) and $199,977 (Roads). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

	General		Police		Roads	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (304,241)	$ -	$ (240,998)	$ 69,552	$ (253,063)
Changes in assumptions	68,102	-	26,036	-	106,045	-
Net difference between projected and actual earnings on pension plan investments	-	(320,442)	-	(97,834)	-	(222,882)
Employer contributions subsequent to the measurement date	-	-	-	-	-	-
Total	$ 68,102	$ (624,683)	$ 26,036	$ (338,832)	$ 175,597	$ (475,945)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2018.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police	Net Deferred Outflows of Resources - Roads
2019	$ (90,889)	$ (81,192)	$ 39,687
2020	(125,036)	(109,869)	(41,567)
2021	(234,573)	(86,084)	(184,946)
2022	(106,083)	(35,651)	(113,522)
2023	-	-	-
Thereafter	-	-	-
Total	$ (556,581)	$ (312,796)	$ (300,348)

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions (concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2018 and 2017, the County collected and remitted to CERF, employee contributions of approximately $129,774.05 and $126,300.88, respectively, for the years then ended.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $11,628 and $11,628, respectively, for the years ended December 31, 2018, and 2017.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were two participants at December 31, 2018, totaling $5,982.86 in contributions and no participants at December 31, 2017.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward six days a year to a maximum of thirty days. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Self-Insured Workers' Trust Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

As of the date of the audit report, there are no subsequent events to report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

I. For the year ended December 31, 2018, expenditures exceeded those budgeted for the following: DRA Fund and the Health and Dental Escrow Fund.

II. For the year ended December 31, 2018, the CERF agency fund had a negative balance of ($292.03).

FEDERAL COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Butler, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Butler ("County") as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 2, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis, A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2018-001 and 2018-002]

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 2, 2019

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To The County Commission
The County of Butler, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Butler's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2018, and 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2018, and 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-003 and 2018-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-003 and 2018-004, that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 2, 2019

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

FEDERAL GRANTOR / PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	12/31/2018 FEDERAL EXPENDITURES	12/31/2018 Passed Through to Subrecipients	12/31/2017 FEDERAL EXPENDITURES	12/31/2017 Passed Through to Subrecipients	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE							
Passed Through State:							
Office of Administration							
Schools and Roads - Grants to States	10.665	N/A	$ 153,709.85	$ 115,282.37	$ 88,982.23	$ 66,736.67	$ 242,692.08
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Passed Through State:							
Department of Economic Development							
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	2016-PF-09	-	-	268,896.38	-	268,896.38
		2016-PF-10	151,325.51	-	-	-	151,325.51
		15-ED-02	-	-	3,500.00	-	3,500.00
		14-ED-02	1,131,073.74	-	56,940.60	-	1,188,014.34
		TR-M2014-02	-	-	2,500.00	-	2,500.00
Total U.S. Department of Housing and Urban Development			1,282,399.25	-	331,836.98	-	1,614,236.23
U.S. DEPARTMENT OF INTERIOR							
Direct Program:							
PILT - Payment in Lieu of Taxes	15.226	N/A	98,080.00	-	87,173.00	-	185,253.00
U.S. DEPARTMENT OF JUSTICE							
Direct Program:							
Equitable Sharing Program	16.922	N/A	-	-	1,928.55	-	1,928.55
U.S. DEPARTMENT OF TRANSPORTATION							
Passed Through State:							
Highway and Transportation Commission:							
Highway Planning and Construction	20.205	BRO-B012(29)	550,780.25	-	23,091.01	-	573,871.26
Missouri Highway Safety and Traffic Division (MO Safety Cluster):							
State and Community Highway Safety	20.600	17-PT-02-096	-	-	2,313.56	-	2,313.56
		18-PT-02-003	4,717.36	-	643.52	-	5,360.88
		19-PT-02-049	545.08	-	-	-	545.08
Total Missouri Safety Cluster			5,262.44	-	2,957.08	-	8,219.52
Total U.S. Department of Transportation			556,042.69	-	26,048.09	-	582,090.78
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Passed Through State:							
Missouri Department of Social Services							
Child Support Enforcement	93.563	ER10214A003	68,760.96	-	80,171.93	-	148,932.89
U.S. DEPARTMENT OF HOMELAND SECURITY							
Passed Through State:							
Missouri Department of Public Safety							
Disaster Grants - Public Assistance Grants (Presidential Declared Disasters)	97.036	4317-DR-MO	2,332.15	-	670,136.28	-	672,468.43
Missouri State Emergency Management Agency							
Emergency Management Performance Grants	97.042	EMK-2016-EP-APP-00004-SL05	-	-	23,245.00	-	23,245.00
		EMK-2017-EP-APP-00006-016	-	-	37,170.19	-	37,170.19
		EMK-2018-EP-00003-14	37,682.84	-	-	-	37,682.84
Total Emergency Management Performance Grants			37,682.84	-	60,415.19	-	98,098.03
Total U.S. Department of Homeland Security			40,014.99	-	730,551.47	-	770,566.46
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,199,007.74	$ 115,282.37	$ 1,346,692.25	$ 66,736.67	$ 3,545,699.99

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the County of Butler under programs of the federal government for the years ended December 31, 2018, and 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Butler, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Butler.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

The County passed-through the following grant to the following sub-recipients as of December 31, 2018, and 2017:

Entity	Grant	CFDA#	2018 Amount	2017 Amount	Total
Poplar Bluff R-I	Schools and Roads - Grants to States	10.665	$ 61,858.51	$ 35,809.72	$ 97,668.23
Twin Rivers R-10	Schools and Roads - Grants to States	10.665	16,776.10	9,711.64	26,487.74
Greenville R-2W	Schools and Roads - Grants to States	10.665	4,833.11	2,797.88	7,630.99
East Carter R-2C	Schools and Roads - Grants to States	10.665	28,978.70	16,775.70	45,754.40
Neelyville R-4	Schools and Roads - Grants to States	10.665	2,835.95	1,641.73	4,477.68
Total			**$ 115,282.37**	**$ 66,736.67**	**$ 182,019.04**

THE COUNTY OF BUTLER
POPLAR BLUFF, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis

2. Internal control over financial reporting:

a. Material weakness(es) identified?	2018 ___	Yes	X No
	2017 ___	Yes	X No
b. Significant deficiency(ies) identified?	2018 X	Yes	___ None Reported
	2017 X	Yes	___ None Reported

3. Noncompliance material to financial statements noted?

	2018 ___	Yes	X No
	2017 ___	Yes	X No

B. Federal Awards

1. Internal control over major federal programs:

a. Material weakness(es) identified?	2018 ___	Yes	X No
	2017 ___	Yes	X No
b. Significant deficiency(ies) identified?	2018 X	Yes	___ None Reported
	2017 X	Yes	___ None Reported

2. Type of auditor's report issued on compliance for major federal programs:

2018 - Unmodified

2017 - Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

	2018 X	Yes	___ No
	2017 X	Yes	___ No

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal program:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2018/2017	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii

5. Dollar threshold used to distinguish between type A and type B programs: $ 750,000

6. Auditee qualified as low-risk auditee? 2018 ___ Yes X No

2017 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

II. FINANCIAL STATEMENT FINDINGS (concluded)

2018-001 Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (573)686-8050.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (573)686-8050.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

2018-003

Federal Grantor:	All
Pass-Through Grantor:	All
Federal CFDA Number:	All
Program Title:	All
Pass- Through Entity Identification Number:	All
Award Year:	2017 and 2018
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance.*

Views of responsible officials and planned corrective actions: The County Clerk (Tonyi Deffendall) is continuing to work on the internal controls along with the County Clerks' Association to help all clerks in Missouri meet this requirement. The Clerk's office can be reached at (573) 686-8050.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (concluded)

2018-004	Federal Grantor:	U.S. Department of Housing and Urban Development, U.S. Department of Interior, U.S. Department of Transportation, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security
	Pass-Through Grantor:	MO Department of Economic Development, MO Highway Safety and Traffic Division, MO Department of Social Services, MO State Emergency Management Agency
	Federal CFDA Number:	14.228, 15.226, 20.600, 93.563 and 97.042
	Program Title:	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii, Payments in Lieu of Taxes (PILT), State and Community Highway Safety, Child Support Enforcement and Emergency Management Performance Grants
	Award year	2017 and 2018
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards.*

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Clerk's office (Tonyi Deffendall) will work more closely with the grant administrators to ensure the SEFA is correctly prepared going forward. The Clerk's office can be reached at (573) 686-8050.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2016-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (573)686-8050.

Status: This finding is repeated in the current year as 2018-001.

FS 2016-002

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 2016-002 Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (573)686-8050.

Status: This finding is repeated in the current year as 2018-002.

FS 2016-003 Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance (FDIC) or securities pledged by the financial institution.

Condition: During our testing of cash and pledged securities, it was noted that the County was under-pledged with a financial institution.

Context: The County holds several bank accounts with a financial institution that was under-collateralized for the years ended December 31, 2016 and 2015, respectively.

Effect: There is a risk that the County's under-collateralized balance may not be returned to the County because the balance is not covered under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: The County Treasurer should periodically review the cash and investment securities pledged with the bank to ensure the County's deposits are fully collateralized.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer repeatedly reviews the collateral for both operating and investment accounts. This under-collateralization was the result of the financial institution's misinterpretation of the County investment policy. The Treasurer's office can be reached at 573-686-8083.

Status: This finding was resolved in the current audit period.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2016-001

Federal Grantor:	All
Pass-Through Grantor:	All
Federal CFDA Number:	All
Program Title:	All
Pass- Through Entity Identification Number:	All
Award Year:	2015 and 2016
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance.*

Views of responsible officials and planned corrective actions: The County Clerk (Tonyi Deffendall) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The Clerk expects to complete this by the next audit period. The Clerk's office can be reached at (573) 686-8050.

Status: This finding is repeated in the current year as 2018-003.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

SA 2016-002	Federal Grantor:	U.S. Department of Transportation, U.S. Department of Health and Human Services, U.S. Department of Housing and Urban Development and U.S. Department of Justice
	Pass-Through Grantor:	MO Department of Transportation, MO Department of Social Services, MO Department of Economic Development, and MO Safety Center.
	Federal CFDA Number:	14.228, 16.607, 20.600, 20.607, 20.607, and 93.563
	Program Title:	Alcohol Open Container Requirements, Child Support Enforcement, CDBG, BJA Vest Grant and State and Community Highway Safety
	Award year	2016 and 2015
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards.*

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Clerk's office will work more closely with the grant administrators to ensure the SEFA is correctly prepared going forward. The Clerk's office can be reached at (573) 686-8050.

Status: This finding is repeated in the current year as 2018-004.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

July 2, 2019

To the County Commission
The County of Butler, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Butler (the "County") as of and for the years ended December 31, 2018 and December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be a significant deficiency as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiency Considered to be Significant
II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (573) 686-8050.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

2018-002 Views of responsible officials and planned corrective actions: The County will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (573)686-8050.

2018-003

Federal Grantor:	All
Pass-Through Grantor:	All
Federal CFDA Number:	All
Program Title:	All
Pass- Through Entity Identification Number:	All
Award Year:	2017 and 2018
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance.*

Views of responsible officials and planned corrective actions: The County Clerk (Tonyi Deffendall) is continuing to work on the internal controls along with the County Clerks' Association to help all clerks in Missouri meet this requirement. The Clerk's office can be reached at (573) 686-8050.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2018-004	Federal Grantor:	U.S. Department of Housing and Urban Development, U.S. Department of Interior, U.S. Department of Transportation, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security
	Pass-Through Grantor:	MO Department of Economic Development, MO Highway Safety and Traffic Division, MO Department of Social Services, MO State Emergency Management Agency
	Federal CFDA Number:	14.228, 15.226, 20.600, 93.563 and 97.042
	Program Title:	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii, Payments in Lieu of Taxes (PILT), State and Community Highway Safety, Child Support Enforcement and Emergency Management Performance Grants
	Award year	2017 and 2018
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards.*

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Clerk's office (Tonyi Deffendall) will work more closely with the grant administrators to ensure the SEFA is correctly prepared going forward. The Clerk's office can be reached at (573) 686-8050.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 20, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 2, 2019.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

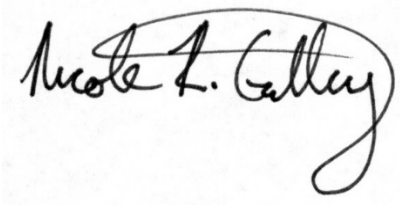
We were engaged to report the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity. During our review of the County's QuickBooks, we noted that the Treasurer would start a new QuickBooks file each year. We noted that the revenues were not being tracked by fund and type and expenditures are not being tracked by fund, function and object and transfers were not being tracked separately but instead as cash receipts and disbursements. We recommend that the Treasurer setup a QuickBooks file to properly track revenues by fund and type and expenditures by fund, function and object. Daniel Jones & Associates has prepared a new QuickBooks file for the client to use going forward to help eliminate these issues. We also noted the Treasurer has a bank account called payroll that is currently not included in the County's accounting system. We recommend that the County include this payroll bank account in the accounting system to better track all activity. During our payroll testing for 2018, we noted a discrepancy in timesheet vs paycheck. The payroll check did not reflect overtime hours as stated on the timesheet filed in the Clerk's office. We recommend that the Clerk's Office verify all timesheets match before processing payroll.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County, Missouri

The Office of the State Auditor contracted for an audit of Monroe County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-071

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

THE COUNTY OF MONROE
PARIS, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018 AND 2017

THE COUNTY OF MONROE
PARIS, MISSOURI
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Monroe, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Monroe ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2018, and 2017, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2018, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2018, and 2017, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2019, on our consideration of the County of Monroe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Monroe's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 1, 2019

FINANCIAL STATEMENTS

THE COUNTY OF MONROE
PARIS, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH BALANCES DECEMBER 31, 2018
General Revenue Fund	$ 175,374.55	$ 2,069,851.10	$ 1,980,803.05	$ 264,422.60
Special Road and Bridge Fund	349,916.69	1,765,591.18	1,850,419.44	265,088.43
Assessment Fund	36,839.69	166,052.06	151,285.91	51,605.84
Collector's Tax Maintenance Fund	19,932.94	12,516.49	9,609.53	22,839.90
Recorder Fund	10,507.29	6,518.34	4,160.87	12,864.76
Election Services Fund	9,109.46	3,201.09	1,612.26	10,698.29
Prosecuting Attorney Training Fund	2,212.85	551.84	391.48	2,373.21
Prosecuting Attorney Administrative Handling Fund	3,847.59	500.24	452.41	3,895.42
Prosecuting Attorney Delinquent Sales Tax Fund	3,273.80	69.17	-	3,342.97
Sheriff Civil Fees Fund	20,487.36	9,735.97	11,728.17	18,495.16
Sheriff Revolving Fund	12,268.31	3,377.82	4,454.20	11,191.93
Inmate Detainee Fund	28,564.79	17,167.36	12,619.13	33,113.02
Law Enforcement Training Fund	2,241.36	4,125.85	4,617.50	1,749.71
DARE Donation Fund	3,696.46	1,310.59	2,128.92	2,878.13
County Law Enforcement Restitution Fund	22,690.65	10,628.58	8,303.77	25,015.46
Domestic Violence Fund	567.05	458.05	567.05	458.05
Local Emergency Planning Council Fund	11.28	5,282.07	2,703.72	2,589.63
Mark Twain Reservoir Fund	362,216.76	32,037.56	33,829.63	360,424.69
Pleasant View Economic Development Fund	3,660.31	12,819.41	12,596.25	3,883.47
County Health Insurance Fund	6,796.30	349,755.97	316,862.05	39,690.22
Senate Bill 40 Board Fund	141,587.30	125,987.39	158,592.67	108,982.02
TOTAL	$ 1,215,802.79	$ 4,597,538.13	$ 4,567,738.01	$ 1,245,602.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

FUND	CASH BALANCES JANUARY 1, 2017	RECEIPTS 2017	DISBURSEMENTS 2017	CASH BALANCES DECEMBER 31, 2017
General Revenue Fund	$ 148,439.02	$ 1,951,073.73	$ 1,924,138.20	$ 175,374.55
Special Road and Bridge Fund	426,605.78	1,254,421.33	1,331,110.42	349,916.69
Assessment Fund	27,811.25	164,280.96	155,252.52	36,839.69
Collector's Tax Maintenance Fund	18,395.98	12,343.91	10,806.95	19,932.94
Recorder Fund	13,967.70	7,196.18	10,656.59	10,507.29
Election Services Fund	9,003.13	1,052.34	946.01	9,109.46
Prosecuting Attorney Training Fund	1,664.80	548.05	-	2,212.85
Prosecuting Attorney Administrative Handling Fund	3,457.21	739.71	349.33	3,847.59
Prosecuting Attorney Delinquent Sales Tax Fund	3,240.72	33.08	-	3,273.80
Sheriff Civil Fees Fund	24,978.43	8,858.11	13,349.18	20,487.36
Sheriff Revolving Fund	25,970.84	2,345.67	16,048.20	12,268.31
Inmate Detainee Fund	17,151.97	21,489.07	10,076.25	28,564.79
Law Enforcement Training Fund	785.32	4,336.91	2,880.87	2,241.36
DARE Donation Fund	2,239.18	1,457.28	-	3,696.46
County Law Enforcement Restitution Fund	28,596.03	13,041.62	18,947.00	22,690.65
Domestic Violence Fund	415.92	567.05	415.92	567.05
Local Emergency Planning Council Fund	2,845.25	2.20	2,836.17	11.28
Mark Twain Reservoir Fund	346,029.83	25,478.11	9,291.18	362,216.76
Pleasant View Economic Development Fund	3,457.28	12,778.03	12,575.00	3,660.31
County Health Insurance Fund	6,257.03	320,535.66	319,996.39	6,796.30
Senate Bill 40 Board Fund	157,365.24	126,882.32	142,660.26	141,587.30
TOTAL	$ 1,268,677.91	$ 3,929,461.32	$ 3,982,336.44	$ 1,215,802.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	GENERAL REVENUE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 405,400.00	$ 383,966.99	$ 372,000.00	$ 397,359.90
Sales Taxes	734,000.00	781,777.64	539,000.00	560,351.19
Intergovernmental	498,216.06	479,354.00	502,855.00	491,389.13
Charges for Services	265,753.00	251,360.41	242,530.00	266,947.34
Interest	3,000.00	7,351.73	1,400.00	3,151.28
Other	122,190.00	80,507.49	97,640.00	139,187.48
Transfers In	92,085.09	85,532.84	105,040.41	92,687.41
TOTAL RECEIPTS	2,120,644.15	2,069,851.10	1,860,465.41	1,951,073.73
DISBURSEMENTS				
County Commission	123,098.88	118,191.80	118,334.03	118,017.41
County Clerk	126,875.23	117,258.87	130,070.80	126,796.12
Elections	68,234.74	57,883.38	53,938.97	43,174.71
Buildings and Grounds	106,762.09	75,964.09	85,790.42	73,628.45
Employee Fringe Benefits	2,500.00	2,136.14	2,500.00	-
County Treasurer	58,703.80	58,052.83	56,761.70	56,134.26
Collector	102,031.15	99,912.74	100,313.05	97,070.10
Recorder of Deeds	57,048.80	56,066.49	56,830.25	56,522.23
Circuit Clerk	17,850.00	10,873.13	16,450.00	14,926.63
Court Administration	5,170.00	4,391.45	5,100.00	4,503.87
Public Administrator	35,572.69	33,839.15	34,876.69	33,324.38
Sheriff	526,503.68	462,798.25	446,481.40	443,128.09
Jail	99,418.23	75,273.62	90,919.53	104,861.15
Prosecuting Attorney	107,380.74	111,414.51	106,533.73	100,235.33
Juvenile Officer	60,723.85	61,910.82	41,183.31	47,020.35
County Coroner	26,039.16	28,843.51	25,832.90	24,042.23
911 Salaries	244,170.00	230,543.92	228,670.00	226,830.04
911 Benefits	81,577.20	56,858.00	69,218.75	63,983.27
911 Operating Expenses	89,127.09	100,121.40	64,685.38	65,706.19
Other	171,661.52	144,322.19	170,257.90	141,399.43
Transfers Out	34,146.76	34,146.76	82,833.96	82,833.96
Emergency Fund	106,032.20	40,000.00	-	-
TOTAL DISBURSEMENTS	2,250,627.81	1,980,803.05	1,987,582.77	1,924,138.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	(129,983.66)	89,048.05	(127,117.36)	26,935.53
CASH BALANCES, JANUARY 1	175,374.55	175,374.55	148,439.02	148,439.02
CASH BALANCES, DECEMBER 31	$ 45,390.89	$ 264,422.60	$ 21,321.66	$ 175,374.55

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SPECIAL ROAD AND BRIDGE FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 290,300.00	$ 294,577.76	$ 276,000.00	$ 296,101.06
Sales Taxes	183,000.00	189,816.52	94,000.00	103,103.92
Intergovernmental	1,787,406.00	1,191,768.61	1,054,590.06	752,632.86
Charges for Services	110,198.11	39,795.76	13,000.00	23,931.18
Interest	5,000.00	10,077.63	1,000.00	5,074.97
Other	60,300.00	39,554.90	15,300.00	73,577.34
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,436,204.11	1,765,591.18	1,453,890.06	1,254,421.33
DISBURSEMENTS				
Salaries	339,318.40	325,908.40	330,478.40	312,332.34
Employee Fringe Benefits	187,172.22	174,923.20	174,768.49	165,208.12
Supplies	106,675.00	103,758.88	113,292.00	92,205.10
Insurance	20,731.00	20,731.00	19,000.00	17,665.00
Road and Bridge Materials	341,000.00	328,341.31	345,000.00	275,510.66
Equipment Repairs	45,000.00	67,397.31	50,000.00	39,358.63
Rentals	2,000.00	419.15	2,000.00	-
Equipment Purchases	260,000.00	252,791.99	200,000.00	299,138.07
Road and Bridge Construction	1,308,633.66	488,726.56	401,590.06	65,563.29
Transfers Out	93,973.89	87,421.64	77,129.21	64,129.21
TOTAL DISBURSEMENTS	2,704,504.17	1,850,419.44	1,713,258.16	1,331,110.42
RECEIPTS OVER (UNDER) DISBURSEMENTS	(268,300.06)	(84,828.26)	(259,368.10)	(76,689.09)
CASH BALANCES, JANUARY 1	349,916.69	349,916.69	426,605.78	426,605.78
CASH BALANCES, DECEMBER 31	$ 81,616.63	$ 265,088.43	$ 167,237.68	$ 349,916.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	ASSESSMENT FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 148,750.00	$ 149,062.11	$ 143,900.00	$ 149,897.49	$ -	$ -	$ -	$ -
Charges for Services	330.00	1,971.50	800.00	331.00	11,800.00	11,616.75	11,000.00	11,937.28
Interest	550.00	1,518.45	730.00	552.47	400.00	899.74	90.00	406.63
Other	-	-	-	-	-	-	-	-
Transfers In	13,500.00	13,500.00	13,500.00	13,500.00	-	-	-	-
TOTAL RECEIPTS	163,130.00	166,052.06	158,930.00	164,280.96	12,200.00	12,516.49	11,090.00	12,343.91
DISBURSEMENTS								
Salaries	84,657.60	83,968.81	88,297.60	86,416.32	-	-	-	-
Employee Fringe Benefits	45,507.12	42,028.56	37,122.50	39,063.40	-	-	-	-
Office	10,500.00	10,577.52	11,500.00	10,318.42	4,200.00	1,981.33	3,340.00	2,897.04
Equipment	1,000.00	95.00	500.00	500.00	5,000.00	924.19	5,000.00	910.00
Training and Mileage	1,300.00	969.96	2,000.00	2,638.38	2,100.00	1,604.01	1,600.00	1,099.91
Computer Software	13,485.00	13,646.06	17,000.00	16,316.00	-	-	-	-
Professional Services	-	-	-	-	100.00	100.00	100.00	100.00
Transfers Out	-	-	-	-	5,000.00	5,000.00	5,800.00	5,800.00
TOTAL DISBURSEMENTS	156,449.72	151,285.91	156,420.10	155,252.52	16,400.00	9,609.53	15,840.00	10,806.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,680.28	14,766.15	2,509.90	9,028.44	(4,200.00)	2,906.96	(4,750.00)	1,536.96
CASH BALANCES, JANUARY 1	36,839.69	36,839.69	27,811.25	27,811.25	19,932.94	19,932.94	18,395.98	18,395.98
CASH BALANCES, DECEMBER 31	$ 43,519.97	$ 51,605.84	$ 30,321.15	$ 36,839.69	$ 15,732.94	$ 22,839.90	$ 13,645.98	$ 19,932.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	RECORDER FUND				ELECTION SERVICES FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	2,800.00	3,000.44	1,000.00	958.10
Charges for Services	6,900.00	6,026.75	6,600.00	6,998.00	-	-	10.00	-
Interest	190.00	465.28	100.00	198.18	10.00	200.65	-	94.24
Other	-	26.31	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,090.00	6,518.34	6,700.00	7,196.18	2,810.00	3,201.09	1,010.00	1,052.34
DISBURSEMENTS								
Office	2,000.00	1,205.94	8,900.00	7,068.88	-	-	-	-
Computer Software	1,000.00	764.95	1,000.00	-	-	-	-	-
Training and Mileage	1,000.00	878.51	1,000.00	897.71	2,500.00	1,612.26	2,500.00	946.01
Equipment Maintenance	1,000.00	660.00	990.00	990.00	-	-	-	-
Supplies	1,500.00	651.47	1,000.00	1,000.00	-	-	-	-
Transfers Out	-	-	700.00	700.00	-	-	-	-
TOTAL DISBURSEMENTS	6,500.00	4,160.87	13,590.00	10,656.59	2,500.00	1,612.26	2,500.00	946.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	590.00	2,357.47	(6,890.00)	(3,460.41)	310.00	1,588.83	(1,490.00)	106.33
CASH BALANCES, JANUARY 1	10,507.29	10,507.29	13,967.70	13,967.70	9,109.46	9,109.46	9,003.13	9,003.13
CASH BALANCES, DECEMBER 31	$ 11,097.29	$ 12,864.76	$ 7,077.70	$ 10,507.29	$ 9,419.46	$ 10,698.29	$ 7,513.13	$ 9,109.46

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	500.00	477.33	450.00	528.07	600.00	345.00	1,000.00	670.00
Interest	19.00	74.51	5.00	19.98	60.00	155.24	20.00	69.71
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	519.00	551.84	455.00	548.05	660.00	500.24	1,020.00	739.71
DISBURSEMENTS								
Training	1,000.00	391.48	1,000.00	-	500.00	45.41	500.00	197.98
Mileage	-	-	-	-	400.00	-	400.00	33.30
State Fees	-	-	-	-	120.00	20.00	120.00	35.00
Office	-	-	-	-	900.00	-	900.00	83.05
Trial Preparation	-	-	-	-	1,250.00	387.00	1,250.00	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,000.00	391.48	1,000.00	-	3,170.00	452.41	3,170.00	349.33
RECEIPTS OVER (UNDER) DISBURSEMENTS	(481.00)	160.36	(545.00)	548.05	(2,510.00)	47.83	(2,150.00)	390.38
CASH BALANCES, JANUARY 1	2,212.85	2,212.85	1,664.80	1,664.80	3,847.59	3,847.59	3,457.21	3,457.21
CASH BALANCES, DECEMBER 31	$ 1,731.85	$ 2,373.21	$ 1,119.80	$ 2,212.85	$ 1,337.59	$ 3,895.42	$ 1,307.21	$ 3,847.59

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THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND				SHERIFF CIVIL FEES FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	8,500.00	8,696.55	9,600.00	8,577.57
Interest	30.00	69.17	12.00	33.08	200.00	433.73	90.00	218.54
Other	-	-	-	-	60.00	605.69	60.00	62.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30.00	69.17	12.00	33.08	8,760.00	9,735.97	9,750.00	8,858.11
DISBURSEMENTS								
Office	3,200.00	-	3,200.00	-	-	-	-	-
Equipment Repairs	-	-	-	-	10,000.00	3,073.17	9,500.00	4,207.44
Ammunition	-	-	-	-	1,000.00	-	1,000.00	441.74
Task Force	-	-	-	-	2,500.00	2,500.00	2,500.00	2,500.00
Transfers Out	-	-	-	-	6,400.00	6,155.00	6,200.00	6,200.00
TOTAL DISBURSEMENTS	3,200.00	-	3,200.00	-	19,900.00	11,728.17	19,200.00	13,349.18
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,170.00)	69.17	(3,188.00)	33.08	(11,140.00)	(1,992.20)	(9,450.00)	(4,491.07)
CASH BALANCES, JANUARY 1	3,273.80	3,273.80	3,240.72	3,240.72	20,487.36	20,487.36	24,978.43	24,978.43
CASH BALANCES, DECEMBER 31	$ 103.80	$ 3,342.97	$ 52.72	$ 3,273.80	$ 9,347.36	$ 18,495.16	$ 15,528.43	$ 20,487.36

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THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SHERIFF REVOLVING FUND				INMATE DETAINEE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,080.00	2,950.65	18,120.00	2,079.46	24,160.00	15,982.99	18,780.00	21,080.81
Interest	260.00	427.17	200.00	266.21	400.00	1,184.37	115.00	408.26
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,340.00	3,377.82	18,320.00	2,345.67	24,560.00	17,167.36	18,895.00	21,489.07
DISBURSEMENTS								
Office	7,312.00	-	10,000.00	2,500.00	-	-	-	-
Dues and Fees	750.00	833.00	3,820.00	437.00	-	-	-	-
MULES	750.00	510.00	750.00	-	1,000.00	135.00	1,000.00	690.00
Supplies	-	-	-	-	6,000.00	3,217.79	5,500.00	6,113.82
Livescan	-	-	-	-	3,885.00	-	3,519.00	1,822.43
Drug Testing	-	-	-	-	1,500.00	1,355.00	1,000.00	700.00
Prisoner Transport	-	-	-	-	1,500.00	2,449.59	1,500.00	750.00
Equipment	-	-	-	-	9,000.00	5,461.75	-	-
Transfers Out	3,111.20	3,111.20	13,111.20	13,111.20	-	-	-	-
TOTAL DISBURSEMENTS	11,923.20	4,454.20	27,681.20	16,048.20	22,885.00	12,619.13	12,519.00	10,076.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,583.20)	(1,076.38)	(9,361.20)	(13,702.53)	1,675.00	4,548.23	6,376.00	11,412.82
CASH BALANCES, JANUARY 1	12,268.31	12,268.31	25,970.84	25,970.84	28,564.79	28,564.79	17,151.97	17,151.97
CASH BALANCES, DECEMBER 31	$ 2,685.11	$ 11,191.93	$ 16,609.64	$ 12,268.31	$ 30,239.79	$ 33,113.02	$ 23,527.97	$ 28,564.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LAW ENFORCEMENT TRAINING FUND				DARE DONATION FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	$ 2,360.00	$ 2,732.30	$ -	$ 2,398.80	$ -	$ -	$ -	$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	18.00	106.55	1.00	18.11	50.00	115.59	20.00	52.68
Other	720.00	132.00	2,560.00	720.00	2,000.00	1,195.00	1,580.00	1,404.60
Transfers In	1,400.00	1,155.00	1,200.00	1,200.00	-	-	-	-
TOTAL RECEIPTS	4,498.00	4,125.85	3,761.00	4,336.91	2,050.00	1,310.59	1,600.00	1,457.28
DISBURSEMENTS								
Postage	1,200.00	1,190.30	1,200.00	1,180.90	-	-	-	-
Supplies	350.00	350.00	300.00	300.00	800.00	-	800.00	-
Training	3,077.20	3,077.20	1,500.00	1,399.97	2,340.00	2,128.92	800.00	-
TOTAL DISBURSEMENTS	4,627.20	4,617.50	3,000.00	2,880.87	3,140.00	2,128.92	1,600.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(129.20)	(491.65)	761.00	1,456.04	(1,090.00)	(818.33)	-	1,457.28
CASH BALANCES, JANUARY 1	2,241.36	2,241.36	785.32	785.32	3,696.46	3,696.46	2,239.18	2,239.18
CASH BALANCES, DECEMBER 31	$ 2,112.16	$ 1,749.71	$ 1,546.32	$ 2,241.36	$ 2,606.46	$ 2,878.13	$ 2,239.18	$ 3,696.46

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				DOMESTIC VIOLENCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	12,000.00	10,160.51	11,200.00	12,853.99	560.00	452.00	415.00	564.00
Interest	180.00	468.07	90.00	187.63	3.00	6.05	0.90	3.05
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	12,180.00	10,628.58	11,290.00	13,041.62	563.00	458.05	415.90	567.05
DISBURSEMENTS								
Prosecutor Expenses	10,000.00	3,103.77	10,000.00	-	-	-	-	-
Sheriff Expense	5,200.00	5,200.00	-	-	-	-	-	-
Services	-	-	-	-	567.05	567.05	415.92	415.92
Transfers Out	-	-	18,300.00	18,947.00	-	-	-	-
TOTAL DISBURSEMENTS	15,200.00	8,303.77	28,300.00	18,947.00	567.05	567.05	415.92	415.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,020.00)	2,324.81	(17,010.00)	(5,905.38)	(4.05)	(109.00)	(0.02)	151.13
CASH BALANCES, JANUARY 1	22,690.65	22,690.65	28,596.03	28,596.03	567.05	567.05	415.92	415.92
CASH BALANCES, DECEMBER 31	$ 19,670.65	$ 25,015.46	$ 11,586.03	$ 22,690.65	$ 563.00	$ 458.05	$ 415.90	$ 567.05

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	LOCAL EMERGENCY PLANNING COUNCIL FUND				MARK TWAIN RESERVOIR FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	2,703.72	5,273.17	2,830.00	-	-	-	96,000.00	1,934.93
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	8.90	8.00	2.20	5,000.00	5,292.20	4,800.00	5,043.18
Other	-	-	-	-	-	1,118.60	-	-
Transfers In	-	-	-	-	25,626.76	25,626.76	18,500.00	18,500.00
TOTAL RECEIPTS	2,703.72	5,282.07	2,838.00	2.20	30,626.76	32,037.56	119,300.00	25,478.11
DISBURSEMENTS								
Supplies	2,703.72	2,703.72	2,836.17	2,836.17	-	-	-	-
Materials	-	-	-	-	36,145.49	33,829.63	136,500.00	9,291.18
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,703.72	2,703.72	2,836.17	2,836.17	36,145.49	33,829.63	136,500.00	9,291.18
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	2,578.35	1.83	(2,833.97)	(5,518.73)	(1,792.07)	(17,200.00)	16,186.93
CASH BALANCES, JANUARY 1	11.28	11.28	2,845.25	2,845.25	362,216.76	362,216.76	346,029.83	346,029.83
CASH BALANCES, DECEMBER 31	$ 11.28	$ 2,589.63	$ 2,847.08	$ 11.28	$ 356,698.03	$ 360,424.69	$ 328,829.83	$ 362,216.76

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	PLEASANT VIEW ECONOMIC DEVELOPMENT FUND				COUNTY HEALTH INSURANCE FUND			
	2018		2017		2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	30.00	73.41	12.00	32.03	60.00	14,110.89	80.00	58.25
Other	2,726.00	2,726.00	2,726.00	2,726.00	270,505.08	335,645.08	280,000.00	264,663.45
Transfers In	10,020.00	10,020.00	10,020.00	10,020.00	80,000.00	-	-	55,813.96
TOTAL RECEIPTS	12,776.00	12,819.41	12,758.00	12,778.03	350,565.08	349,755.97	280,080.00	320,535.66
DISBURSEMENTS								
Materials	12,845.00	12,596.25	12,770.00	12,575.00	-	-	-	-
Insurance Management Fees	-	-	-	-	99,000.00	82,878.63	99,000.00	85,296.79
Medical Benefit Costs	-	-	-	-	149,460.00	203,035.60	158,457.00	212,704.90
Pharmacy Benefit Costs	-	-	-	-	28,000.00	30,947.82	28,800.00	21,994.70
TOTAL DISBURSEMENTS	12,845.00	12,596.25	12,770.00	12,575.00	276,460.00	316,862.05	286,257.00	319,996.39
RECEIPTS OVER (UNDER) DISBURSEMENTS	(69.00)	223.16	(12.00)	203.03	74,105.08	32,893.92	(6,177.00)	539.27
CASH BALANCES, JANUARY 1	3,660.31	3,660.31	3,457.28	3,457.28	6,796.30	6,796.30	6,257.03	6,257.03
CASH BALANCES, DECEMBER 31	$ 3,591.31	$ 3,883.47	$ 3,445.28	$ 3,660.31	$ 80,901.38	$ 39,690.22	$ 80.03	$ 6,796.30

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	SENATE BILL 40 BOARD FUND			
	2018		2017	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	$ 126,000.00	$ 125,399.59	$ 132,000.00	$ 126,605.25
Intergovernmental	-	-	-	-
Interest	600.00	587.80	102.00	277.07
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	126,600.00	125,987.39	132,102.00	126,882.32
DISBURSEMENTS				
Salaries and Taxes	7,600.00	7,495.70	7,600.00	7,729.20
Contract Services	40,295.00	73,466.83	35,795.00	68,898.90
Facilities and Equipment	54,500.00	69,500.00	54,500.00	54,500.00
Case Management	-	4,753.68	12,000.00	10,881.53
Office	3,094.00	3,376.46	2,320.00	650.63
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	105,489.00	158,592.67	112,215.00	142,660.26
RECEIPTS OVER (UNDER) DISBURSEMENTS	21,111.00	(32,605.28)	19,887.00	(15,777.94)
CASH BALANCES, JANUARY 1	141,587.30	141,587.30	157,365.24	157,365.24
CASH BALANCES, DECEMBER 31	$ 162,698.30	$ 108,982.02	$ 177,252.24	$ 141,587.30

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	County School Fines and Bond	Public Fund Special	Unclaimed Fees	Associate Judge Escrow	Collector
ASSETS					
Cash and Cash Equivalents	$ 15,326.63	$ 3,999.32	$ 155.84	$ 4,850.37	$ 5,491,117.77
Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	15,326.63	3,999.32	155.84	4,850.37	5,491,117.77
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	15,326.63	3,999.32	155.84	4,850.37	5,491,117.77
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 15,326.63	$ 3,999.32	$ 155.84	$ 4,850.37	$ 5,491,117.77

	Sheriff	Cemetery	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	$ 4,000.00	$ 228,999.89	$ 5,748,449.82
Investments	-	2,146,080.29	2,146,080.29
Total Investments	-	2,146,080.29	2,146,080.29
Total Assets	4,000.00	2,375,080.18	7,894,530.11
LIABILITIES AND FUND BALANCES			
TOTAL LIABILITIES	4,000.00	2,375,080.18	7,894,530.11
UNRESERVED FUND BALANCES	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 4,000.00	$ 2,375,080.18	$ 7,894,530.11

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONROE
PARIS, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2017

	County School Fines and Bond	Public Fund Special	Unclaimed Fees	Associate Judge Escrow	Collector
ASSETS					
Cash and Cash Equivalents	$ 20,829.19	$ 1,913.99	$ 155.84	$ 4,750.00	$ 4,844,392.44
Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	20,829.19	1,913.99	155.84	4,750.00	4,844,392.44
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	20,829.19	1,913.99	155.84	4,750.00	4,844,392.44
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 20,829.19	$ 1,913.99	$ 155.84	$ 4,750.00	$ 4,844,392.44

	Sheriff	Cemetery	Total Agency Funds
ASSETS			
Cash and Cash Equivalents	$ -	$ 101,633.33	$ 4,973,674.79
Investments	-	2,242,195.60	2,242,195.60
Total Investments	-	2,242,195.60	2,242,195.60
Total Assets	-	2,343,828.93	7,215,870.39
LIABILITIES AND FUND BALANCES			
TOTAL LIABILITIES	-	2,343,828.93	7,215,870.39
UNRESERVED FUND BALANCES	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 2,343,828.93	$ 7,215,870.39

The accompanying notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Monroe, Missouri ("the County"), which is governed by a three-member board of commissioners, was established in 1831 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and human services.

The financial statements referred to above include only the primary government of the County of Monroe, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

   Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

   State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation, was:

	2018	2017
Real Estate	$ 89,890,200	$ 87,969,540
Personal Property	33,933,563	32,307,507
Railroad and Utilities	15,415,075	15,306,775
	$ 139,238,838	$ 135,583,822

During 2018 and 2017, the County Commission approved a $0.6401 and $0.6443, respectively, tax levy per $100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2018	2017
General Revenue Fund	$ 0.2652	$ 0.2707
Special Road and Bridge Fund	0.2808	0.2798
Senate Bill 40 Board Fund	0.0941	0.0938
	$ 0.6401	$ 0.6443

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. In addition, cash and investments are separately held by several of the County’s funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, and 2017, the carrying amount of the County's deposits was $1,245,602.91 and $1,215,802.79, the bank balance was $9,177,491.63 and $8,647,747.12, respectively. As of December 31, 2018, and 2017, 100% of the County’s cash and cash equivalents were insured through the Federal Deposit Insurance Corporation and securities set aside in the name of the County by the financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash Balances – Governmental Funds	
Deposits	$ 1,245,602.91
Total Governmental Funds	1,245,602.91
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:	
Deposits	5,748,449.82
Investments	2,146,080.29
Total Agency Funds	7,894,530.11
Total Deposits and Investments as of December 31, 2018	$ 9,140,133.02

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2017, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash Balances – Governmental Funds -	
Deposits	$ 1,215,802.79
Total Governmental Funds	1,215,802.79
Statement of Assets and Liabilities Arising From Cash Transactions – Agency Funds:	
Deposits	4,973,674.79
Investments	2,242,195.60
Total Agency Funds	7,215,870.39
Total Deposits and Investments as of December 31, 2017	$ 8,431,673.18

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ending December 31, 2018, and 2017.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2018, and 2017.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ending December 31, 2018, and 2017.

III. LONG-TERM DEBT

On August 29, 2016, the County purchased 911 Equipment totaling $171,672. The County financed $38,000 of the purchase through Paris National Bank. The lease calls for 48 monthly payments of $835.24 with an interest rate of 2.20%. The lease was paid off in full during February of 2018.

	Balance at December 31, 2017	Amount Borrowed	Amount Repaid	Balance at December 31, 2018	Interest Paid During Year
911 Equipment	$ 29,059.30	$ -	$ 29,059.30	$ -	$ 18.39
Totals	$ 29,059.30	$ -	$ 29,059.30	$ -	$ 18.39

	Balance at December 31, 2016	Amount Borrowed	Amount Repaid	Balance At December 31, 2017	Interest Paid During Year
911 Equipment	$ 38,000.00	$ -	$ 8,940.70	$ 29,059.30	$ 1,082.18
Totals	$ 38,000.00	$ -	$ 8,940.70	$ 29,059.30	$ 1,082.18

The future payments as of December 31, 2017, are as follows:

Year Ending December 31	Principal	Interest	Total
2018	$ 9,471.62	$ 551.26	$ 10,022.88
2019	9,685.08	337.80	10,022.88
2020	9,902.60	120.28	10,022.88
	$ 29,059.30	$ 1,009.34	$ 30,068.64

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2018, and 2017 are as follows:

	2018		2017	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	$ 85,532.84	$ 34,146.76	$ 92,687.41	$ 82,833.96
Special Road and Bridge Fund	-	87,421.64	-	64,129.21
Assessment Fund	13,500.00	-	13,500.00	-
Collector's Tax Maintenance Fund	-	5,000.00	-	5,800.00
Recorder Fund	-	-	-	700.00
Sheriff Civil Fees Fund	-	6,155.00	-	6,200.00
Sheriff Revolving Fund	-	3,111.20	-	13,111.20
Law Enforcement Training Fund	1,155.00	-	1,200.00	-
County Law Enforcement Restitution Fund	-	-	-	18,947.00
Mark Twain Reservoir Fund	25,626.76	-	18,500.00	-
Pleasant View Economic Development Fund	10,020.00	-	10,020.00	-
County Health Insurance Fund	-	-	55,813.96	-
TOTAL	$ 135,834.60	$ 135,834.60	$ 191,721.37	$ 191,721.37

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2018, and 2017 were $33,917.04 and $34,487.53, respectively.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Monroe County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Monroe County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

	2018 Valuation
Benefit Multiplier:	1.50%
Final Average Salary:	3 Years
Member Contributions:	0.00%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	General	Police
Inactive employees or beneficiaries currently receiving benefits	25	4
Inactive employees entitled to but not yet receiving benefits	9	18
Active employees	34	7
	68	29

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4.0% of their gross pay to the pension plan. Employer contribution rates are 2.7% (General) and 1.9% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	$ 86,091	$ 23,444
2 Interest on Total Pension Liability	258,732	56,417
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(12,318)	7,353
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(175,855)	(25,637)
7 Net change in total pension liability	156,650	61,577
8 Total pension liability - beginning	3,612,815	779,246
9 Total pension liability - ending	$ 3,769,465	$ 840,823
B. Plan Fiduciary Net Position		
1 Contributions - employer	$ 88,401	$ 22,732
2 Contributions - employee	-	-
3 Net investment income	460,246	99,299
4 Benefit payments, including refunds of employee contributions	(175,855)	(25,637)
5 Pension plan administrative expense	(5,292)	(1,366)
6 Other (net transfer)	26,372	2,741
7 Net change in plan fiduciary net position	393,872	97,769
8 Plan fiduciary net position - beginning	3,844,585	822,558
9 Plan fiduciary net position - ending	$ 4,238,457	$ 920,327
C. Net Pension Liability / (Asset)	$ (468,992)	$ (79,504)
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.44%	109.46%
E. Covered-Employee Payroll	$ 924,150	$ 220,365
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-50.75%	-36.08%

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	$ 4,218,325	$ 3,769,465	$ 3,394,636
Plan Fiduciary Net Position	4,238,457	4,238,457	4,238,457
Net Pension Liability / (Asset) (NPL)	$ (20,132)	$ (468,992)	$ (843,821)
Police Division:			
Total Pension Liability (TPL)	$ 978,451	$ 840,823	$ 729,879
Plan Fiduciary Net Position	920,327	920,327	920,327
Net Pension Liability / (Asset) (NPL)	$ 58,124	$ (79,504)	$ (190,448)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the employer recognized pension expense of $56,762 for general and $26,618 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (86,689)	$ 5,118	$ (9,525)
Changes in assumptions	41,645	-	7,399	-
Net difference between projected and actual earnings on pension plan investments	-	(89,823)	-	(21,936)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	$ 41,645	$ (176,512)	$ 12,517	$ (31,461)

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2018.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2019	$ 19,367	$ 7,368
2020	(46,122)	(4,485)
2021	(70,672)	(13,885)
2022	(37,440)	(7,942)
2023	-	-
Thereafter	-	-
Total	$ (134,867)	$ (18,944)

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed $3,366 and $3,366, respectively, for the years ended December 31, 2018, and 2017.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2018, and December 31, 2017.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences

The County provides employees with up to four weeks (160 hours) of paid vacation based upon the number of years of continuous service. All vacation earned in one year must be taken in its entirety each calendar year. Compensation for unused vacation is at the discretion of the County Commission. Upon termination from County employment, an employee is reimbursed for unused vacation and overtime, if applicable. Failure to give proper notice forfeits all unused vacation time. Sick time is accrued at a day per month after the first 90 days of employment. These have not been subjected to auditing procedures. Regular full-time employees earn 12 days of sick leave each year. Full-time employees may accumulate sick leave with pay to a maximum of sixty days. An employee will not be compensated for any accumulated sick leave upon termination of employment unless they have been employed by the County after 15 years. Employees leaving employment of the County after 15 years of service will receive $25.00 a day compensation for accrued sick leave as follows: 15 days for 15 years plus one day for each additional year up to 60 days.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

SCHEDULE OF STATE FINDINGS

I. For the year ended December 31, 2018, actual expenditures exceeded those budgeted in the County Health Insurance Fund and Senate Bill Board 40 Fund.

II. For the year ended December 31, 2017, actual expenditures exceeded those budgeted in the County Health Insurance Fund and Senate Bill 40 Board Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Monroe, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Monroe ("County"), Missouri as of and for the years ended December 31, 2018, and 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [2018-001, 2018-002, 2018-003]

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 1, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of the internal controls for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

2018-002

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-002 Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of fraud risks of the County for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

2018-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties in the Treasurer's office.

Context: During our audit, we noted the Treasurer performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County will work to implement procedures to prevent the lack of segregation of duties in the Treasurer's office. The County Treasurer is Sheila Jurgesmeyer and the office phone number is (660)327-4711.

THE COUNTY OF MONROE
PARIS, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2018 AND 2017

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2016-001 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified* in an Audit, which is effective for periods ending on or after December 15, 2009, as amended by SAS 122, *Statements on Auditing Standards: Clarification and Recodification*, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, it was necessary for the auditors of the County to assist with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit, the client informed us that we would be preparing the audited financials.

Effect: If the management of the County does not have the ability to prepare the external financial statements and the notes to the financial statements without the assistance of the auditors, management may be unable to review and take responsibility of the financial statements and notes. Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 122 indicates that conditions necessitating the entity's auditor to provide such assistance are at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management of the County does not possess the technical accounting skills to prepare the external financial statements without the assistance of the auditors. Management did not prepare the financial statements or the notes to the financial statements.

Recommendation: We recommend the County either provide training to current management, hire additional staff that possesses the accounting skills needed to prepare and review the external financial statements, or contract with an outside accountant to prepare and review the external financial statements.

Management's Response: Monroe County has prepared the 2016 financial statements in compliance with Missouri Revised Statute 50.815.

Status: This finding has been resolved in the current audit period.

FS 2016-002 Criteria: Statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, Statements on Auditing Standards: Clarification and Recodification, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: During the walkthroughs, we noted there is no internal control documentation prepared.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (continued)

FS 2016-002 Context: During the walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management did not prepare the required documentation of internal control.

Recommendation: We recommend the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County Clerk is in the process of preparing and adopting and documenting their internal control structure in conformity with the COSO framework.

Status: This finding is repeated as 2018-001.

FS 2016-003 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate audit risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County Clerk is in the process of adopting and documenting formal risk assessments in conformity with the COSO framework.

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 2016-003 Status: This finding is repeated as 2018-002.

FS 2016-004 Condition: The County has not adopted an investment policy as required by State Statutes. An investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend that the County adopt an investment policy and review compliance with this policy at least annually.

Management's Response: The County has adopted an investment policy and review compliance with this policy annually.

Status: This finding has been resolved in the current audit period.

FS 2016-005 Condition: Budgeted expenditures exceeded budgeted revenues for multiple funds in 2016. The detailed list of funds can be found in Note 1.D. to the financial statements. RSMo. 50.740 prohibits budgeted expenditures in excess of budgeted revenues. Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We also recommend the County refrain from adopting a budget with a deficit fund balance.

Management's Response: The County accepts the recommendation and will make the necessary changes.

Status: This finding has been resolved in the current audit period.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2016-001: Incorrect Schedule of Expenditures of Federal Awards (SEFA)

Federal Grantor: U.S. Department of Transportation
Pass-through Grantor: Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass-through Entity Identifying Number: BRO-043, BRO-044, FLAP
Award Year: 2016
Questioned Costs: None

Criteria: OMB Circular A-133 requires auditees to "Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs." Section .310 (d) requires auditees to "Prepare appropriate financial statements, including the schedule of expenditures of Federal awards…."

Condition: During our audit, we noted that the Schedule of Expenditures of Federal Awards (SEFA) contained errors.

Effect: Federal expenditures reported in the SEFA were incorrect.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Recommendation: We recommend management develop internal controls over reporting to ensure an accurate SEFA is prepared.

Management's Response: OMB Circular A-133 is being reviewed and training sessions will be initiated by the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period.

Status: This finding has been resolved in the current audit period.

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

August 1, 2019

To the County Commission
The County of Monroe, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Monroe (the "County") as of and for the years ended December 31, 2018 and December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

I. Deficiencies Considered to be Significant
II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification,* considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of the internal controls for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is working to prepare the documentation of fraud risks of the County for the next audit period. The County Clerk is Christina Buie, and the office phone number is (660)327-5106.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2018-003 Criteria: SAS No. 55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties in the Treasurer's office.

Context: During our audit, we noted the Treasurer performs all duties of the cash disbursement process including writing, approving, signing, and reconciliation of bank statements.

Effect: The design of the internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the County's offices.

Recommendation: These areas should be reviewed periodically and consideration should be given to improving the segregation of duties.

Views of responsible officials and planned corrective actions: The County will work to implement procedures to prevent the lack of segregation of duties in the Treasurer's office. The County Treasurer is Sheila Jurgesmeyer and the office phone number is (660)327-4711.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2018 and 2017 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 1, 2019.

Management Consultations with Other Independent Accountants

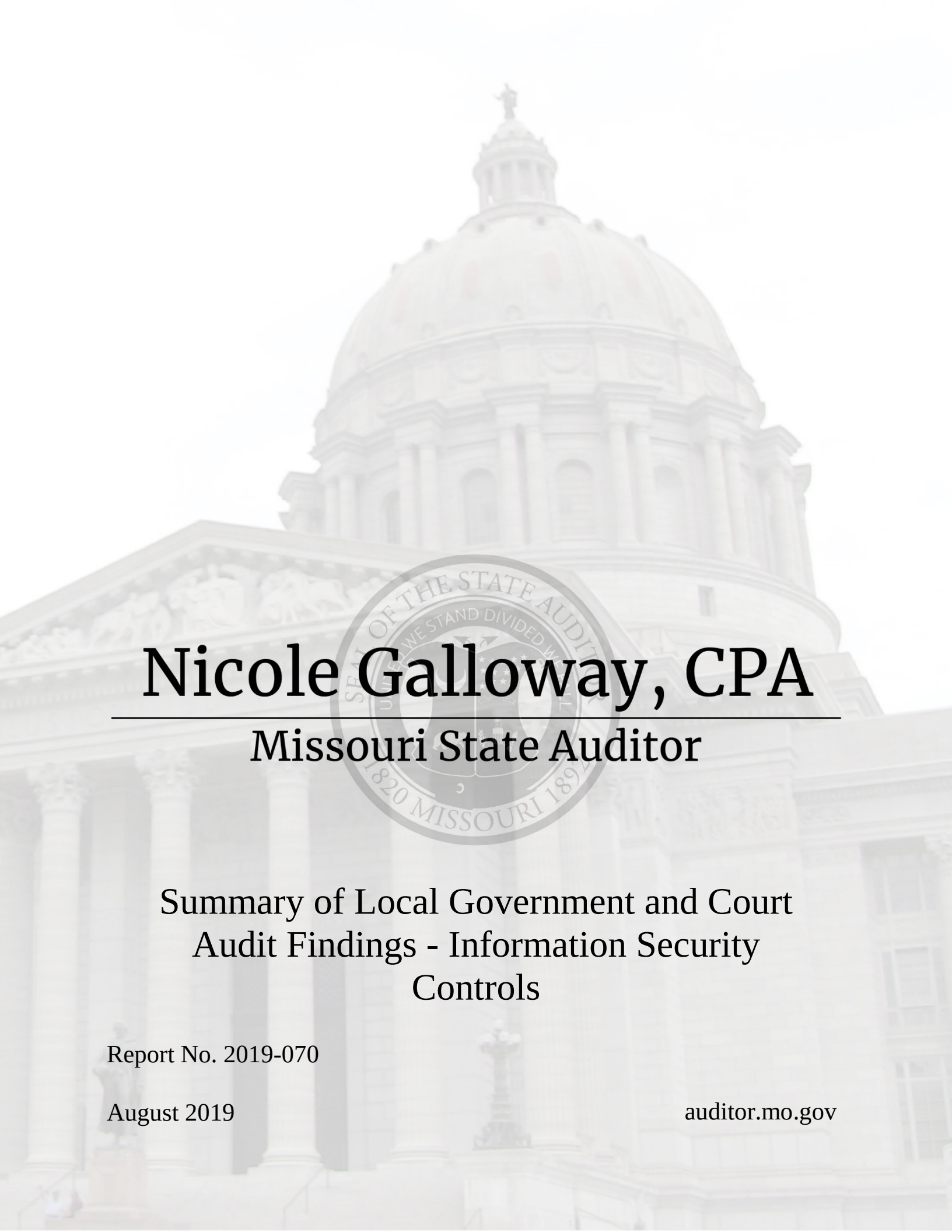
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



Nicole Galloway, CPA

Missouri State Auditor

Summary of Local Government and Court Audit Findings - Information Security Controls

Report No. 2019-070

August 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Summary of Local Government and Court Audit Findings - Information Security Controls

User Access Management	Access to certain systems is not adequately restricted. The user access of former employees is not disabled timely. Policies and procedures are not fully established or documented to ensure areas housing information technology resources are properly controlled, monitored, and restricted.
User Authentication	Passwords are not required to be changed on a periodic basis. User accounts and passwords for accessing computers and various systems are shared by users. A password is not required to logon and authenticate access to a computer. Passwords are not required to contain a minimum number of characters.
Security Controls	Inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity. Security controls have not been implemented to lock access to a computer or system after a specified number of unsuccessful logon attempts. Malware or antivirus protection software to detect and eradicate malicious code has not been installed on computer systems.
Backup and Recovery	Data in various systems is not periodically backed up. Data backups are not stored at a secure off-site location. Periodic testing of backup data is not performed. Management has not developed a formal contingency plan to ensure business operations and computer systems can be promptly restored in the event of a disaster or other disruptive incident.
Data Management and Integrity	Data management and integrity controls to guard against the improper modification or destruction of data and information have not been implemented.
Vendor Security	Contracts for software acquired or outsourced from information technology vendors do not always contain security requirements. Security practices used by vendors are not always reviewed.

Because of the nature of this report, no rating is provided.

Summary of Local Government and Court Audit Findings
Information Security Controls
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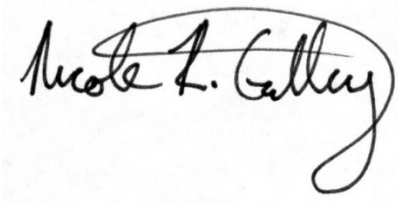
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

This report was compiled using local government and court audit reports issued by my office between July 2018 and June 2019 (report numbers 2018-044 through 2018-140 and 2019-001 through 2019-048). The objective of this report was to summarize recent information security control issues and recommendations.

The recommendations address a variety of topics including user access management, user authentication, security controls, backup and recovery, data management and integrity, and vendor security. The Appendix lists the 26 reports with findings covering these topics.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP

Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

1. User Access Management

1.1 Access rights and privileges

Access to certain systems is not adequately restricted. Access rights and privileges are used to determine what a user can do after being allowed into a system, such as read or write to a certain file. Unrestricted system access allows the capability to make unauthorized changes to records or to delete or void transactions after the transactions have been entered in the system. In addition, adequate supervisory reviews of users are not performed. Access should be limited based on user needs and job responsibilities.

Without adequate user access restrictions, there is an increased risk of unauthorized changes to data and records and of the loss, theft, or misuse of funds.

Recommendation

Ensure user access rights are limited to only what is necessary to perform job duties and responsibilities.

Report Source

2018-097 (Callaway County Collector and Property Tax System)
2019-002 (Miller County)
2019-013 (Crawford County Collector and Property Tax System)
2019-037 (Cape Girardeau County Collector and Property Tax System)
2019-043 (Howell County)

1.2 Terminated employees

The user access of former employees is not disabled timely.

Without effective procedures to remove access upon termination, former employees could continue to have access to critical or sensitive data and records, which increases the risk of the unauthorized use, modification, or destruction of data and information.

Recommendation

Ensure user access is promptly deleted following termination of employment to prevent unauthorized access to computer systems and data.

Report Source

2019-009 (Gasconade County)
2019-019 (Village of Ferrelview)

1.3 Physical security

Policies and procedures are not fully established or documented to ensure areas housing information technology resources are properly controlled, monitored, and restricted. Such procedures include requesting, granting, periodically reviewing, and removing physical access.

Physical security is the protection of technology resources, including computers and network servers, from theft or damage. Physical security makes technology resources physically unavailable to unauthorized users and

can include locked rooms and cabinets, and other measures to protect assets from unauthorized access.

Inadequate physical security could lead to the loss of property, the disruption of service and functions, and the unauthorized disclosure of data and information. Without appropriate procedures to grant, periodically review, and remove access to sensitive areas, individuals may receive inappropriate or unauthorized access.

Recommendation

Establish and document physical access policies and procedures, ensure access to sensitive technology assets is necessary with job responsibilities, implement independent periodic reviews of access, and timely remove unnecessary access.

Report Source

2019-029 (City of St. Louis Information Technology Services Agency)

2. User Authentication

2.1 Passwords not changed

Passwords are not required to be changed on a periodic basis. As a result, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities. Passwords should be changed periodically to reduce the risk of unauthorized access to and use of systems and data.

Without requiring passwords to be periodically changed, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure passwords are periodically changed to prevent unauthorized access to computers and data.

Report Source

2018-046 (City of Coffey)
2018-069 (City of Winona)
2018-081 (Andrew County)
2018-110 (Laclede County)
2018-121 (Perry County)
2018-122 (Iron County)
2018-130 (Lewis County)
2018-139 (Washington County)
2018-140 (Clinton County)
2019-009 (Gasconade County)
2019-019 (Village of Ferrelview)
2019-035 (City of Miller)
2019-038 (Dallas County)
2019-041 (St. Francois County Prosecuting Attorney)

2019-043 (Howell County)
2019-046 (Hickory County)

2.2 Sharing passwords

User accounts and passwords for accessing computers and various systems are shared by users. The security of a password system is dependent upon keeping passwords confidential. By allowing users to share accounts and passwords, individual accountability for system activity could be lost and unauthorized system activity could occur.

Without strong user account and password controls, including maintaining the confidentiality of passwords, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure unique user accounts and passwords are required to access computers and data. In addition, ensure users understand the importance of maintaining the confidentiality of passwords.

Report Source

2018-063 (Scott County)
2018-069 (City of Winona)
2018-081 (Andrew County)
2018-130 (Lewis County)
2019-007 (City of Hamilton)
2019-009 (Gasconade County)
2019-035 (City of Miller)
2019-043 (Howell County)

2.3 Password not required

A password is not required to logon and authenticate access to a computer.

Without requiring passwords to access a computer or system, there is no assurance the data or system is protected from unauthorized access and use.

Recommendation

Ensure passwords are required to authenticate access to computer systems and data.

Report Source

2018-049 (City of Bethany)
2018-122 (Iron County)

2.4 Password complexity

Passwords are not required to contain a minimum number of characters. Strong passwords are often the first line of defense into a computer or system. As a result, an appropriate minimum character length should be established so passwords cannot be easily guessed or identified using password-cracking mechanisms.

Without enforcing password complexity by requiring a minimum number of characters, there is an increased risk that passwords can be more easily guessed, allowing unauthorized access to data and systems.

Recommendation

Ensure passwords contain a minimum number of characters so they cannot be easily guessed.

Report Source

2018-046 (City of Coffey)
2018-069 (City of Winona)
2018-081 (Andrew County)
2019-009 (Gasconade County)
2019-035 (City of Miller)
2019-043 (Howell County)

3. Security Controls

3.1 Inactivity control

Inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity. To reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files, users should log off computers when unattended and an inactivity control should be implemented to lock a computer or terminate a user session after a certain period of inactivity.

Without an inactivity control, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendation

Ensure an inactivity control is implemented to lock a computer or system after a certain period of inactivity.

Report Source

2018-046 (City of Coffey)
2018-069 (City of Winona)
2018-081 (Andrew County)
2018-139 (Washington County)
2019-007 (City of Hamilton)
2019-035 (City of Miller)
2019-038 (Dallas County)
2019-043 (Howell County)
2019-046 (Hickory County)

3.2 Unsuccessful logon attempts

Security controls have not been implemented to lock access to a computer or system after a specified number of unsuccessful logon attempts. Logon attempt controls lock the capability to access a computer or system after a specified number of consecutive unsuccessful logon attempts, and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer or system by guessing passwords.

Without effective controls to limit the number of consecutive unsuccessful logon attempts, there is less assurance sensitive data is effectively protected from unauthorized access.

Recommendation: Ensure a security control is implemented to lock access to a computer or system after multiple unsuccessful logon attempts.

Report Source: 2018-046 (City of Coffey)
2018-069 (City of Winona)
2018-099 (Smithville Area Fire Protection District)
2018-130 (Lewis County)
2018-139 (Washington County)
2019-009 (Gasconade County)
2019-043 (Howell County)

3.3 Malware protection

Malware or antivirus protection software to detect and eradicate malicious code has not been installed on computer systems.

Without adequate malware protection, there is an increased risk that computers will be infected by malware and that unauthorized processes will have an adverse impact on the confidentiality, integrity, or availability of a system.

Recommendation: Ensure computers and systems are adequately protected from malware.

Report Source: 2018-046 (City of Coffey)

4. Backup and Recovery

4.1 Data backup

Data in various systems is not periodically backed up. Preparation of backup data, preferably on a daily or at least weekly basis, provides reasonable assurance data could be recovered if necessary.

Without regular data backups, there is an increased risk critical data will not be available for recovery should a disruptive incident occur.

Recommendation: Ensure data is regularly backed up.

Report Source: 2018-120 (City of Greenville)

4.2 Off-site storage

Data backups are not stored at a secure off-site location. Data backups are performed; however, the backup files are stored at the same location as the original data leaving the files susceptible to the same damage as that data.

Without storing backup data at a secure off-site location, critical data may not be available for restoring systems following a disaster or other disruptive incident.

Recommendation

Ensure backup data is stored in a secure off-site location.

Report Source

2018-046 (City of Coffey)
2018-049 (City of Bethany)
2018-069 (City of Winona)
2018-120 (City of Greenville)
2019-009 (Gasconade County)
2019-019 (Village of Ferrelview)

4.3 Periodic testing

Periodic testing of backup data is not performed. Such testing is necessary to ensure the backup process is functioning properly and to ensure all essential data can be recovered.

Without testing the full backup process, management cannot be assured the entire system can be restored when necessary.

Recommendation

Ensure backup data is tested on a regular, predefined basis.

Report Source

2018-049 (City of Bethany)
2018-069 (City of Winona)
2018-099 (Smithville Area Fire Protection District)
2018-120 (City of Greenville)
2019-009 (Gasconade County)
2019-019 (Village of Ferrelview)
2019-035 (City of Miller)

4.4 Contingency Plan

Management has not developed a formal contingency plan to ensure business operations and computer systems can be promptly restored in the event of a disaster or other disruptive incident. A comprehensive written contingency plan should include plans for a variety of disaster situations and specify detailed recovery actions required to reestablish critical business, computer, and network operations. Once a contingency plan has been developed and approved, the plan should be periodically tested and reviewed.

Without an up-to-date and tested contingency plan, management has limited assurance the organization's business and computer operations can be promptly restored after a disruptive incident.

Recommendation

Develop a formal contingency plan and periodically test and evaluate the plan.

Report Source

2018-069 (City of Winona)
2018-120 (City of Greenville)
2019-019 (Village of Ferrelview)
2019-035 (City of Miller)

5. Data Management and Integrity

Data management and integrity controls to guard against the improper modification or destruction of data and information have not been implemented. As a result, critical systems, such as property tax systems, do not prevent users from voiding receipt transactions after they are completed. In addition, systems do not have the audit trail controls or functionality to generate reports of deleted or modified transactions.

Without data management, integrity, and audit trail controls, there is an increased risk of manipulation of data without detection and the loss, theft, or misuse of funds.

Recommendation

Ensure adequate data management, integrity, and audit trail controls are in place to allow for the proper accountability of all transactions.

Report Source

2018-097 (Callaway County Collector and Property Tax System)
2019-013 (Crawford County Collector and Property Tax System)

6. Vendor Security

Contracts for software acquired or outsourced from information technology vendors do not always contain security requirements. Security practices used by vendors are not always reviewed.

Accepted standards require organizations to identify and manage risk relating to a vendor's ability to securely deliver services; and when preparing contracts, to clearly define service requirements, including security and protection of intellectual property. Further security insight can be obtained by requesting independent reviews of vendor internal practices and controls, and/or reviewing vendor-supplied descriptions of security practices. Without consistently defining security requirements or assessing vendor security practices, there is less assurance in a vendor's ability to ensure services meet current and future data privacy and security needs.

Recommendation

Consistently ensure that vendor contracts contain security requirements, and review vendor security practices.

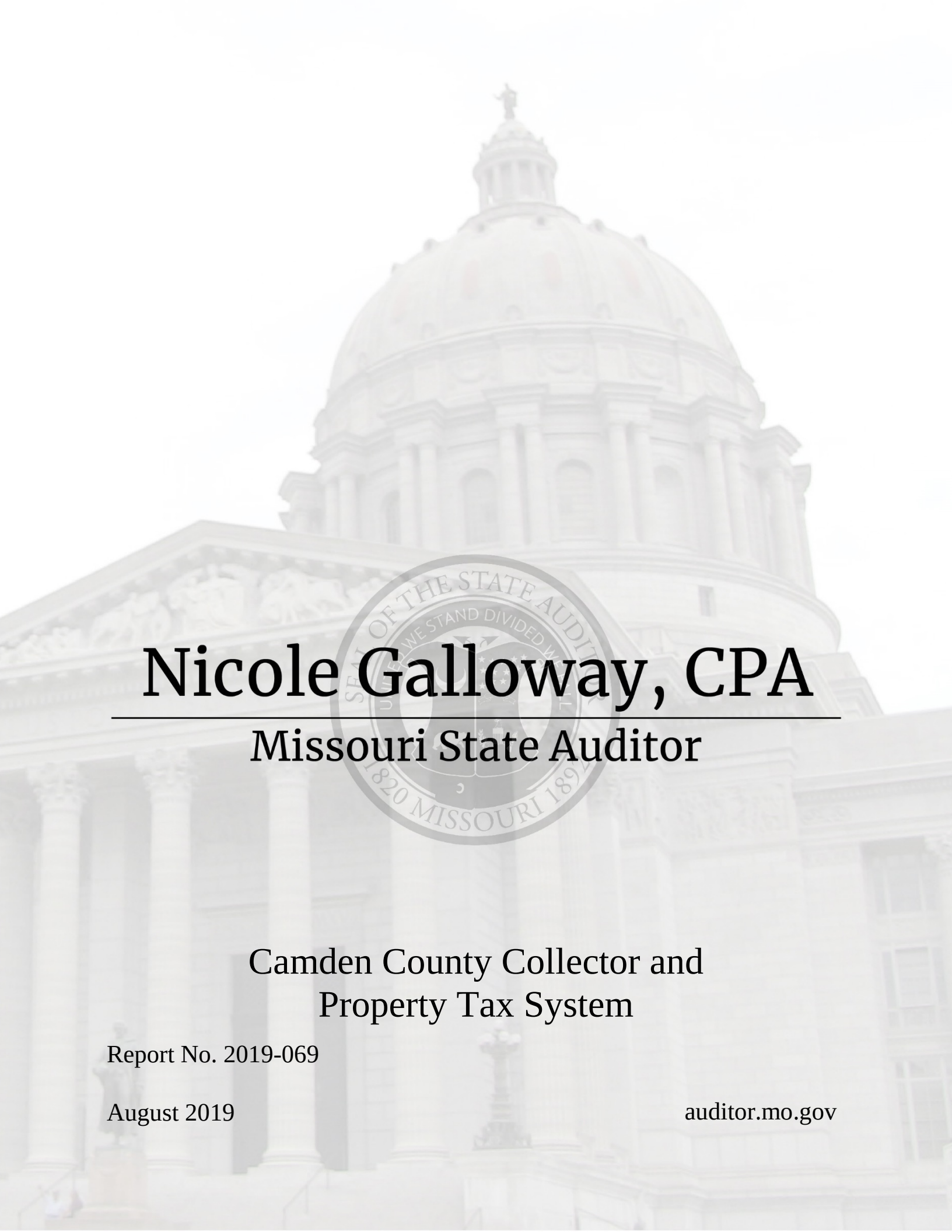
Report Source

2019-029 (City of St. Louis Information Technology Services Agency)

Summary of Local Government and Court Audit Findings
Information Security Controls
Appendix - Audit Reports

Report Number	Title	Publication Date
2018-046	City of Coffey	July 2018
2018-049	City of Bethany	August 2018
2018-063	Scott County	August 2018
2018-069	City of Winona	September 2018
2018-081	Andrew County	September 2018
2018-097	Callaway County Collector and Property Tax System	September 2018
2018-099	Smithville Area Fire Protection District	September 2018
2018-110	Laclede County	October 2018
2018-120	City of Greenville	November 2018
2018-121	Perry County	November 2018
2018-122	Iron County	November 2018
2018-130	Lewis County	December 2018
2018-139	Washington County	December 2018
2018-140	Clinton County	December 2018
2019-002	Miller County	January 2019
2019-007	City of Hamilton	February 2019
2019-009	Gasconade County	February 2019
2019-013	Crawford County Collector and Property Tax System	March 2019
2019-019	Village of Ferrelview	March 2019
2019-029 (1)	City of St. Louis Information Technology Services Agency	April 2019
2019-035	City of Miller	May 2019
2019-037	Cape Girardeau County Collector and Property Tax System	May 2019
2019-038	Dallas County	May 2019
2019-041	St. Francois County Prosecuting Attorney	June 2019
2019-043	Howell County	June 2019
2019-046	Hickory County	June 2019

(1) This report noted the auditee needs to improve certain information system control activities. Under Section 610.021.21, RSMo, details of these issues were not disclosed in the report because of their sensitivity. During the audit, we communicated the issues and recommendations confidentially to the auditee for corrective action.



Nicole Galloway, CPA

Missouri State Auditor

Camden County Collector and Property Tax System

Report No. 2019-069

August 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Camden County Collector and Property Tax System

Property Tax System Controls and Procedures

Significant weaknesses exist in the controls and procedures over the county's property tax system. The county has not appropriately restricted access within the computerized property tax system and the system lacks necessary system controls and reporting capabilities to meet the needs of the office. The annual settlements for the years ended February 28, 2018, and 2017, were not complete and accurate. The County Clerk does not prepare or verify the accuracy of the current tax books. The financial activities of the County Collector's office were not adequately reviewed by the County Clerk, the County Auditor, or the County Commission. The County Clerk and the County Commission do not adequately review changes (e.g., additions and abatements) entered into the property tax system and documentation to support these changes is not always retained or accurate.

County Collector's Controls and Procedures

Controls and procedures for the County Collector's office need improvement. The County Collector's procedures for receipting, recording, and depositing are not adequate. The former County Collector and current County Collector did not prepare monthly lists of liabilities for the property tax collections bank accounts. The current County Collector and former County Collector did not disburse tax collections accurately or in accordance with state law, and various political subdivisions did not receive their appropriate share of tax collections. The County Collector's office does not have procedures to routinely follow up on outstanding checks. Neither the former County Collector nor the current County Collector timely transferred monies from the 5 local bank accounts and the partial payment account to the main account prior to making monthly disbursements of the corresponding receipts.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Camden County Collector and Property Tax System
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
County Collector
Camden County, Missouri

We have audited the County Collector and Property Tax System of Camden County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. In addition, under Section 50.057, RSMo, the County Commission of Camden County, Missouri, requested the State Auditor to audit Camden County. On May 31, 2017, a vacancy occurred in the office of the County Collector of Camden County. A successor was appointed and sworn into office effective June 12, 2017. The scope of our audit included, but was not necessarily limited to, the 2 years ended February 28, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.

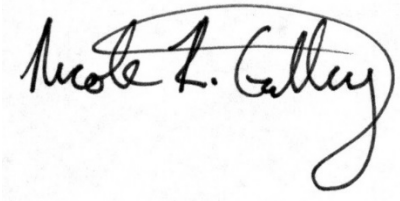
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Camden County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Tina Disney, M.Acct., CFE
Audit Staff:	Charity Grotzinger, CGAP
	Devin Jackson
	John-Henry T. Jarwood, MBA
	Sheldon Hayes

1. Property Tax System Controls and Procedures

Significant weaknesses exist in the controls and procedures over the county's property tax system.

The former County Collector resigned on May 31, 2017, and the current County Collector was appointed and sworn into office effective June 12, 2017.

We expanded audit work in the County Collector's office to encompass both the collector vacancy closeout audit and the requested county audit. As a result, the scope of our audit includes both the former and current County Collector. The current County Collector worked in the office prior to her appointment as County Collector and assisted the former County Collector with the daily operations of the office, preparation of monthly and annual settlements, and making monthly disbursements. The current County Collector has continued to use the same property tax system and most of the procedures established by the former County Collector.

The County Collector's office processed collections totaling approximately $74 million during the year ended February 28, 2018, and $72 million during the year ended February 28, 2017.

1.1 Property tax system controls

The county has not appropriately restricted access within the computerized property tax system. In addition, the system lacks necessary system controls and reporting capabilities, and as a result, it does not meet the needs of the County Collector's office.

User access, identifications, and passwords

The county has not adequately restricted property tax system access and login credentials are shared among users. The current County Collector and her deputies have access rights in the property tax system allowing them to make changes to individual tax records and delete receipt transactions. Similar access rights existed for the former County Collector and her deputies prior to her resignation. Because the County Collector's office is responsible for collecting tax payments, the ability of personnel within the office to alter tax records and delete receipt transactions represents a significant weakness in internal controls. Good internal controls require the County Collector and other office personnel not have access rights allowing alteration or deletion of tax rates, assessed valuations, and property tax billing information. Also, the ability to delete receipt transactions should be restricted and require an independent or supervisory review and approval.

County Assessor's office personnel use the County Clerk's user identification and password to access the property tax system to record additions and abatements. As a result, there is an increased risk that unsupported or unauthorized changes could be made to the property tax system. In addition, the current County Collector shares her password with the Chief Deputy Collector.

The combination of a user identification and password are required to authenticate access, and the security of these logon credentials is dependent upon keeping them confidential. Allowing users to share logon credentials increases the risk of unauthorized access and/or changes to the system and records, and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should be kept confidential to reduce these risks.

Receipt transactions

The property tax system does not maintain an audit trail to document deleted receipt transactions and, as discussed earlier, all County Collector's office employees have the ability to delete receipt transactions. When a receipt transaction is deleted, there is no record of the initial receipt, date it was deleted, or user responsible for each action. Unlike deleted receipt transactions, when the County Collector and the Chief Deputy Collector unpost (void) erroneous receipt transactions a record of this action is maintained in the property tax system. We identified numerous missing receipt transactions that could not be accounted for. Neither the current County Collector nor the contracted property tax system programmer could explain why receipt transactions would be deleted. Without an audit trail of deleted transactions, there is a risk completed receipt transactions could be improperly deleted and not detected.

In addition, the property tax system does not have the capability to record railroad and utility property tax receipts and lodging tax receipts and does not automatically generate receipt slip numbers for merchant licenses.

Due to these significant control weakness, the numerical sequence of receipt slips cannot be accounted for properly and there is no assurance all monies collected are deposited. To properly account for monies received, system controls should provide an audit trail for all transactions and restrict the ability to delete receipt transactions.

System reports

The property tax system is not capable of generating reports of additions and abatements. Reports of unposted (voided) receipt slips are periodically generated, but reports of deleted receipt transactions cannot be generated. These reports are necessary to properly monitor tax activities and collections.

Conclusions

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds as well as to protect the integrity of the property tax system, controls are necessary to provide reasonable assurance that all tax changes are authorized, receipts are accounted for properly, and assets are adequately safeguarded. In addition, due to the lack of oversight of the County Collector's office activities, any erroneous or improper changes made in the property tax system by the County Assessor or the County Collector could go undetected.

System controls would be improved by limiting each user's access in the property tax system to only those functions necessary to perform his or her duties; ensuring all employees maintain confidential passwords; restricting the ability to delete receipt transactions, and developing system generated reports of additions, abatements, and deleted receipt transactions. If proper system controls cannot be achieved, adequate independent reviews of the property tax system should be performed and any differences should be investigated and documented.

1.2 Annual settlements

The annual settlements for the years ended February 28, 2018, and 2017, were not complete and accurate.

Year ended February 28, 2018

We noted numerous errors and inaccuracies on the annual settlement for the year ended February 28, 2018 (see Appendix A):

- Total collections and total distributions reported on the annual settlement did not balance and were not accurate. Total collections of $73,896,559 were understated by $66,531 and total disbursements of $73,598,727 were overstated by $54,483. The current County Collector could not explain the differences. In addition, the current County Collector reported $297,832 more collections than disbursements on the annual settlement because she did not properly disburse Tax Increment Financing (TIF) monies received during the tax year.

- Current and delinquent charges for real estate and personal property taxes did not agree to current and delinquent credits. To make the amounts balance the current County Collector added reconciling amounts to the settlement, totaling $172,125, with a description titled "total discrepancies from reports provided." The current County Collector indicated the differences are likely the result of differences between the amounts of additions and abatements recorded in the property tax system and those reported to her by the County Clerk.

Year ended February 28, 2017

We also noted numerous errors and inaccuracies on the annual settlement for the year ended February 28, 2017 (see Appendix B):

- Total collections and total distributions reported on the annual settlement were not accurate. Total collections of $71,457,985 were understated by $615,890 and total disbursements of $71,457,985 were understated by $395,178, resulting in $220,712 collections not disbursed. We determined $162,732 of this amount was TIF monies collected but not disbursed during the tax year. The current County Collector indicated these monies had not been disbursed during the tax year because the office was waiting on the TIF disbursement calculation from the TIF lawyer. Therefore, the former County Collector unposted (voided) the related transactions from the property tax system and did not report these

collections on the annual settlement. The current County Collector could not explain the remaining $57,980 collected but not disbursed.

- Current and delinquent charges for real estate and personal property taxes did not agree to current and delinquent credits. To make the amounts balance the former County Collector added reconciling amounts to the settlement, totaling negative $426,219, with a description titled "total discrepancies from reports provided." The current County Collector attributed the differences to the same issues with additions and abatement records noted with the year ended February 28, 2018, settlement.

The County Collector should ensure complete and accurate annual settlements are prepared to provide assurance all collections and distributions are accounted for properly. Incomplete and/or inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism for accounting for all monies the County Collector is charged with collecting. As noted in section 1.4, procedures should be performed by the County Clerk, the County Auditor, and the County Commission to verify the accuracy of the County Collector's annual settlements.

1.3 Tax books

The County Clerk does not prepare or verify the accuracy of the current tax books. The county's property tax system programmer prepares the real estate and personal property tax books using assessed valuations provided by the County Assessor and tax levies provided by the County Clerk. The current County Collector reviews the tax books for accuracy. However, because the County Collector is responsible for collecting property tax monies, good internal controls and state law require someone independent of the collection process be responsible for generating and testing the accuracy of the tax books. A review of the current tax books should include verification of individual entries in the current tax books and recalculating tax book totals and charges. Failure to prepare and/or review the tax books and test individual tax statement computations may result in errors or irregularities going undetected.

Section 137.290, RSMo, requires the County Clerk to extend the current tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified by someone independent of the process, and approval of the tax book amounts to be charged to the County Collector should be documented.

1.4 Review of property taxes

The financial activities of the County Collector's office were not adequately reviewed by the County Clerk, the County Auditor, or the County Commission. Neither the County Clerk nor the County Auditor maintained an account book or other records summarizing property tax charges, transactions, and changes as required by state law. In addition, the County

Clerk, the County Auditor, and the County Commission did not perform procedures to verify the accuracy and completeness of the former and current County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate. As noted in section 1.2, the annual settlements for the years ended February 28, 2018, and 2017, contained numerous errors and inaccuracies.

Section 52.361, RSMo, requires the County Collector to prepare the delinquent tax books. However, the County Clerk, the County Auditor, and the County Commission did not perform procedures to verify the accuracy and completeness of the delinquent tax books prepared by the former and current County Collector.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. Section 55.160, RSMo, requires the County Auditor to keep a correct account between the county and all county officers. An account book or other records summarizing all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk and/or County Auditor. Such records would help the County Clerk and County Auditor ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk, the County Auditor, and the County Commission to verify the accuracy and completeness of the County Collector's annual settlements and delinquent tax books. Such procedures are intended to establish checks and balances related to the collection of property taxes.

1.5 Additions and abatements

The County Clerk and the County Commission do not adequately review changes (e.g., additions and abatements) entered into the property tax system and documentation to support these changes is not always retained or accurate. The County Assessor's office updates the assessed valuations in the assessment system and communicates needed changes to property tax records on manual forms provided to the County Clerk's office. These forms are not reviewed and approved by the County Commission prior to recording the changes in the property tax system. Instead, County Clerk's office personnel use them to prepare spreadsheets of the changes, and prior to November 2017, used them to enter the changes into the property tax system. In November 2017, County Assessor's office personnel began posting the changes to the property tax system using the County Clerk's login information. The County Clerk does not review property tax system entries made by County Assessor's office personnel.

The County Commission does not review and approve actual changes made to property tax records in the property tax system. Instead, the County Clerk uses his spreadsheets to prepare annual summary reports of changes made to

the property tax system for the County Commission's review and approval. These annual summary reports only show a total by tax type and tax year, and do not list individual changes. No comparison of actual changes to changes documented by the County Assessor and the County Clerk is performed, and the property tax system cannot generate a report of these changes. As a result, changes to the tax system are not properly monitored and errors or irregularities could go undetected.

We tested 20 additions and 35 abatements made during the 2 years ended February 28, 2018, and identified discrepancies between assessment system records, the property tax system, the County Assessor's manual forms, and the County Clerk's spreadsheet. Four of the additions tested were recorded on manual forms and in both systems, but not recorded on the County Clerk's spreadsheets. Fourteen of the abatements tested were recorded on manual forms and in the property tax system, but not recorded in the assessment system or on the County Clerk's spreadsheet. The County Clerk's spreadsheets are used to prepare summary listings for the County Commission, so amounts not included on those spreadsheets are not included in the totals approved by the County Commission.

In addition, supporting documentation was not maintained for all changes. The current County Assessor could not locate manual change forms for changes submitted to the County Clerk by the former County Assessor. The County Clerk could not provide documentation to support the 2016 and prior year real estate abatement amount reported on the yearly summary report to the County Commission totaling $26,404 for the year ended February 28, 2018.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual changes made to the property tax system would help ensure changes are proper. In addition, supporting documentation should be retained to show changes to the property tax system are accurate.

Recommendations

1.1 The County Collector work with the County Commission and County Clerk to ensure the property tax system is sufficient to meet the needs of the Collector's office and protect the integrity of the data. Ensure system access is limited to only what is needed for users to perform their job duties and responsibilities; require employees maintain confidential passwords; and develop system controls to provide an audit trail for all transactions and restrict the user's ability to delete receipt transactions. If proper system controls cannot be achieved, adequate independent reviews of the property tax system should be performed and any differences investigated and documented.

1.2 The County Collector prepare complete and accurate annual settlements.

1.3 The County Clerk prepare the current tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be adequately documented.

1.4 The County Clerk and the County Auditor work together to maintain an account book with the County Collector. In addition, the County Clerk, the County Auditor, and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

1.5 The County Commission, the County Clerk, and the County Assessor develop procedures to ensure all property tax system changes are properly approved and monitored. In addition, ensure county records are properly retained and accurate.

Auditee's Response

The County Collector, the County Clerk, and the County Commission, provided the following response:

1.1 The current property tax system used by Camden County originated in 1988, and at that time it encompassed the County Assessor's, County Clerk's, and County Collector's offices. The system has been modified over the years to comply with statute changes, but still has limitations of a 30 year old system. In 2015, the County Assessor's office purchased a new valuation system from Vanguard. Currently we are planning to implement a new collections system starting in the fourth quarter of 2019 in phases that will include stronger security with more robust tracking and reporting with the intent to address many of the shortcomings identified in our current processes. In the current system, only the County Collector and the Chief Deputy Collector can unpost a transaction for voids. Tracking of receipt numbers, changes, passwords, and security levels will be role-based in the new system. Railroad and utility along with lodging taxation will be integrated into the system. The County Clerk and County Commission will ensure the data integrity of the tax book along with independent review. The County Clerk and County Collector will put adequate safeguards and security levels in place for all data. Differences will be documented and resolved timely.

The County Collector provided the following response:

1.2 The current system does not support the calculation and consolidation required for producing the annual tax settlement and

as such, the process is manual. In the implementation of the new system, the County Collector's office will be automating the annual settlement in addition to the ability to conduct monthly settlements for the generation of required information. In addition, we are implementing disbursement functionality that will match the associated statements and receipts for tax payments to the disbursements conducted to the taxation entities. Having an automated system will help with the discrepancies provided to the County Collector in compiling the annual settlement.

The County Clerk provided the following response:

1.3 The calculations of the associated tax books are made in the background by the computer system when original tax records are generated and when additions, abatements, and deletions are generated. The County Clerk's office typically conducts a review of a sampling of the individual tax statements generated, but this review was not documented and information was not provided for it to be done for 2017 taxes. We will ensure this review is performed and documented going forward. The County Clerk's office does oversee the associated levy rates and assessments entered into the automated system prior to these calculations occurring. The County Clerk's office does receive a report of the initial tax rolls when developed in October of each year. In addition to these tax rolls, the new system will provide the County Clerk's office with daily transactional reports showing the additions, abatements, and deletions so that a running tax roll may be generated for comparison to the annual settlement allowing them to keep a physical copy of the tax book at creation of the tax year and all changes to the end of the tax year.

The County Clerk will prepare a current tax book and verify the accuracy of the data to include assessed values and levies of tax districts, the tax book totals, and charges prior to charging the County Collector with the property tax amounts for collections. The County Clerk's and County Collector's offices will properly document the tax book and collection procedures.

The County Collector, the County Clerk, the County Commission, and the County Auditor provided the following response:

1.4 The County Collector's new system will generate reports in the County Auditor's and County Clerk's offices of daily tax due reports and daily tax collected to the related district or entities depending on the need for the report. The County Collector's new system will also generate reports for disbursements due to the entities.

The County Clerk will, as stated in the response to finding 1.3, prepare and maintain a tax book and verify the accuracy prior to charging the County Collector with taxes due. In addition, the County Clerk, County Auditor, and County Commission will review tax book amounts charged to the County Collector and the collection of tax to the annual settlements to ensure completeness and accuracy. In addition, the County Clerk, County Auditor, and County Commission will verify the accuracy and completion of delinquent tax books.

The County Auditor's office will collect tax book information in a digital format (including values, levies, etc.) by creating an independent tax book log including taxes due and update with changes (add, delete, abatement, etc.). The County Auditor's office will also track collections of receipts, reconcile to monthly reports, and verify distributions to entities to ensure the accuracy and completeness of the County Clerk's office tax books in reconciliation of the annual settlements. The County Auditor's office will communicate with the County Clerk and the County Commission verification of its independent reconciliation of the annual settlement.

The County Clerk, the County Commission, and the County Assessor provided the following response:

1.5 Since the time of the audit, the County Collector, County Clerk, County Assessor, and County Commission have been working together to implement an automated system for handling abatement, addition, and deletion of valuations from the Assessor's office that result in changes to the property tax system. This new automated process will begin in the Assessor's office in his valuation system and changes will be uploaded into the County Clerk's portion of the property tax system. The County Clerk will then confirm the calculations from the changes and generate individual reports along with a summary report for those changes, and present them to the County Commission for review and approval (or disapproval). Once the sign off is done, these reports will be submitted back to the County Clerk's office to be scanned into the system for electronic approval by the County Commission. Initial plans are to have this new system implemented by December 2019.

The above described process is currently a manual process and the County Commission is approving changes in a manual paper form until the new phase of the system is operational. Audit trails are maintained of before and after values in addition to the reporting of the individual changes made by parcel and the associated changes to taxing levies. In addition, the property tax system is being modified to generate reports highlighting these changes on a daily, weekly,

and monthly basis and will be provided to the County Auditor and County Clerk for their review.

This new system will also provide document scan attachments and trace the process through the tax book, collection process, and abatement process. Including in the case of refunds, the refund of monies to the party involved into the tax levies and district entities. This procedure will help ensure county records are properly maintained and accurate.

The current County Collector provided additional written responses for recommendations 1.1 through 1.5. See Appendix C.

2. County Collector's Controls and Procedures

Controls and procedures for the County Collector's office need improvement.

2.1 Receipting, recording, and depositing

The County Collector's procedures for receipting, recording, and depositing are not adequate. As a result, there is no assurance all monies collected are properly receipted, recorded, and deposited.

- Receipt slips were not issued for railroad and utility property tax collections and lodging tax collections totaling $2,958,331 for the year ended February 28, 2018, and $2,873,394 for the year ended February 28, 2017. The property tax system is not capable of receipting these taxes.

- Neither the current County Collector nor the former County Collector accounted for the numerical sequence of receipt numbers assigned by the property tax system. Some receipt numbers were missing and could not be accounted for because there is no record of deleted receipt transactions. Some property tax system receipt numbers were issued out of sequential order. This occurred because 1) the receipt date was erroneously entered by office personnel, or 2) office personnel did not complete the property tax system transactions timely. A receipt number is automatically generated when the transaction is opened, but the receipt date is not recorded until the transaction is completed.

  Our review of receipt numbers issued during the 2-week period ending November 15, 2017, identified 3 skipped receipt numbers and 7 receipt numbers issued out of sequence. Our review of receipt numbers issued during the 2-week period ending December 9, 2016, identified 103 skipped receipt numbers and 3 receipt numbers issued out of sequence. The skipped receipt numbers for both test periods could not be accounted for and are likely deleted receipt transactions.

- Merchant license receipt numbers assigned by the County Collector's office were not always issued in sequential order. County Collector's office personnel manually assign a sequential number as the merchant license number when paid and enter this same number into the property tax system as the receipt number. Our review of 450 merchant license receipt numbers issued during the 2-week period ending November 15, 2017, identified 191 receipt numbers issued out of sequence. In 2 instances, the merchant's check number was incorrectly entered into the system as the merchant license receipt number.

- Monies received are not always deposited timely. The County Collector's office policy is to deposit monies received the next day. Our review of receipts recorded in the property tax system during the 2-week period ending November 15, 2017, noted receipts in 44 cash drawers totaling $8,193,448 were not deposited until 2 to 9 days after receipt. Our review of receipts recorded in the tax system during the 2-week period ending December 9, 2016, noted receipts in 41 cash drawers totaling $8,228,131 were not deposited until 2 to 15 days after receipt.

Failure to implement adequate receipting, recording, reconciling, and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected.

2.2 Liabilities

The former County Collector and current County Collector did not prepare monthly lists of liabilities for the property tax collections bank accounts. As a result, liabilities were not agreed to the reconciled bank balances monthly to ensure records balanced.

- We determined liabilities for the former County Collector's main bank account consisted of 3 months of undistributed surtax and bank interest, current month's collections, and undistributed TIF collections totaling $774,774 as of May 31, 2017. The reconciled bank balance on that date of $702,285 was less than the identified liabilities, resulting in an apparent shortage of $72,489. In addition, the former County Collector had 5 bank accounts at various banks within the county and tax payments were accepted at these locations. These 5 bank accounts had unidentified balances totaling $1,222 as of May 31, 2017.

- We determined liabilities for the current County Collector's main bank account consisted of 12 months of undistributed surtax and bank interest, current month's collections, and undistributed TIF collections totaling $1,296,289, as of February 28, 2018. The reconciled bank balance on that date of $1,706,404 was more than the identified liabilities, resulting in an unidentified balance of $410,115. In addition, the current County Collector's 5 bank accounts at various banks (same accounts held by the former County Collector) and tax sale account had unidentified balances

totaling $176,623 and $37,900, respectively, as of February 28, 2018. Also the former County Collector's main bank account was still open and had an unidentified balance of $160,734 as of February 28, 2018.

Regular identification and comparison of liabilities to the reconciled bank balance is necessary to ensure records are in balance, monies are available to satisfy all liabilities, and monies are disbursed timely. Differences should be promptly investigated and explained. Various statutory provisions provide for the disposition of unidentified monies.

2.3 Disbursements

The current County Collector and former County Collector did not disburse tax collections accurately or in accordance with state law, and various political subdivisions did not receive their appropriate share of tax collections.

For example, TIF collections received in November and December 2017 totaling $297,832 were not disbursed until March 2018. Protested TIF collections were not properly disbursed when settled during the year ended February 28, 2017. The former County Collector disbursed $49,880 more than required for one settled protested TIF collection. Distributions for another settled protested TIF collection from 2016, totaling $212,612, had not been disbursed as of April 2019. In addition, our review of the February 2018 monthly property tax disbursements noted one entity was overpaid by $2,970 and three other entities were underpaid by their share of this amount. This distribution error occurred because the current County Collector based distributions on spreadsheet calculations that contained data entry errors and did not ensure the amounts agreed to system generated reports that showed the correct distribution amounts.

Section 139.210.2, RSMo, requires all collections to be distributed to the political subdivisions by the fifteenth day of the following month. In addition, timely and proper distribution of property tax collections to political subdivisions is important because the political subdivisions rely on property tax revenues to fund operations. To ensure all tax collections are properly distributed and to help detect errors timely, taxes collected and distributed should be periodically reviewed and recalculated for accuracy.

2.4 Outstanding checks

The County Collector's office does not have procedures to routinely follow up on outstanding checks. As of May 31, 2017, the former County Collector's main account had 127 checks totaling $10,747 that had been outstanding for more than a year. As of February 28, 2018, this account had an additional 40 checks totaling $11,006 that had been outstanding for more than a year.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

2.5 Transfers

Neither the former County Collector nor the current County Collector timely transferred monies from the 5 local bank accounts and the partial payment account to the main account prior to making monthly disbursements of the corresponding receipts.

As noted earlier, the County Collector allows citizens to drop off tax payments at 5 local banks where the monies are deposited into accounts at those respective banks. The County Collector receipts these monies into the property tax system, as well as partial payments when the full payment is made. These amounts are included in the monthly collections that are to be disbursed from the main bank account at month-end, but the associated monies are not transferred to the main bank account prior to making the disbursements. Instead, monies deposited in these accounts are transferred to the main account after the end of the tax year. Monies collected in the 5 local bank accounts and partial payment account during tax year ending February 28, 2017, and 2018, totaled $608,603 and $434,881, respectively. Unidentified monies in the account, undistributed TIF collections, and outstanding checks prevented the main bank account from being overdrawn. If the County Collector had made disbursements as required, the main account would have been overdrawn.

To ensure all property tax collections are accounted for properly, monies received in other accounts should be transferred timely to the main account and monies should not be disbursed prior to transfer.

Recommendations

The County Collector:

2.1 Ensure all monies collected are properly receipted and deposited timely. Ensure receipts slips are sequentially issued for all monies received and the numerical sequence of receipt slips is accounted for properly.

2.2 Prepare and reconcile lists of liabilities to the reconciled bank balances monthly. Any differences should be promptly investigated and resolved. After sufficient efforts are made to resolve differences, any remaining unidentified monies should be disposed of in accordance with state law.

2.3 Ensure all property tax collections are timely and accurately disbursed in accordance with state law.

2.4 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

2.5 Ensure all monies collected are transferred timely and prior to disbursement.

Auditee's Response

The current County Collector's written response is included at Appendix C.

Camden County Collector and Property Tax System
Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Vicky Burns served as County Collector until May 31, 2017. Teresa Murray was appointed the Camden County Collector and sworn into office on June 12, 2017.

During the year ended February 28, 2017, the former County Collector received compensation of $60,988. The former County Collector received compensation of $16,406 for the period March 1, 2017, to May 31, 2017, and the current County Collector received compensation of $44,531 for the period June 12, 2017, to February 28, 2018. Compensation was in accordance with statutory provisions.

Appendix A
Camden County Collector and Property Tax System
Annual Settlement Year Ended February 28, 2018

Form **205** Missouri Department of Revenue
Collector's Annual Settlement

Annual settlement of Teresa Murray, collector of Camden county
for year ending February 28, 20 18 .

Summary of Charges

	Amounts
Total Current*	71,404,852.85
Total Back and Protested	7,406,307.63
Total Other	2,881,344.72
Total Charges	81,692,505.20
Tax Book Differences	
Grand Total Charges	81,692,505.20
* Total Surtax in this Amount if not Shown as a Separate Distribution	72,343.79

Summary of Credits

	Amounts
Total Collections	73,896,558.53
Total Delinquents	7,328,562.58
Total Abatements	392,891.00
Total Protested	1,579.20
Total Refunds	72,914.18
Total Credits	81,692,505.49
Tax Book Differences	-0.29
Grand Total Credits	81,692,505.20

Distributions

State	496,711.92	Workshop	930,204.69
General Revenue	1,807,975.01	SR Citizen	740,153.78
Special Road and Bridge	1,809,871.57	Sewer Bond	18,355.78
Health Center	480,116.95	Retirement Fund	227,611.44
Schools	49,422,354.87	Assessor Prop C & Funds	541,901.50
Cities	2,013.62	Collector's Funds & Prop C	704,618.89
Surtax		Collector's Fees & Comm	113,413.54
Road #1	1,073,696.86	Collector's Maint Fund	112858.97
Library	1,553,353.68	Clerk's Fee	8102.05
Fire	9,546,916.69	Interest Earned	31,176.75
Lodging Tax/Tax Sale	1,690,218.89	Assessment	132,790.20
NIDS	298,475.20	Commissions: County	
Ambulance	1,855,833.92	Official	
Subtotal	70,037,539.18	Subtotal	3,561,187.59
		Total Distributions	73,598,726.77

I, Rowland A Todd, clerk of the county commission of Camden county hereby certify the above and the attached to be a copy of the annual settlement of the county collector with the county commission on the 3rd day of May, 2017, for the year ending February 28th, 20 18 as the same appears of record in my office.

In testimony whereof, I have hereunto set my hand and affixed the seal of the county commission of Camden county. Done at my office in Camdenton this 3rd day of, May 20 18 .

Clerk of County Commission Rowland A Todd

SEAL ROWLAND A. TODD CLERK COUNTY COMMISSION CAMDEN COUNTY, MISSOURI

Form 205 (Revised 12-2017)

Charges

Current	Amount
2017 Land Tax Book	
From Tax Book	57,444,956.97
From Additions	0.00
From FCL and PILT Payments	3,500.46
Partial Payments	215,937.46
Total discrepancies from reports provided	24,926.94
2017 Personal Tax Book	
From Tax Book	11,940,791.01
From Additions	304,521.53
Partial Payments	40,814.23
Total discrepancies from reports provided	57,049.97
2017 Utility Tax Book	
From Tax Book	1,372,354.28
2017 Railroad Tax Book	
From Tax Book	
2017	
From Tax Book	
2017	
From Tax Book	
Total Current Charges	71,404,852.85

Credits

Current	Amount
2017 Land Tax Book	
By Collections	55,021,128.43
By Delinquent	2,527,942.59
By Abatements	124,824.44
By Protested	1,579.20
By Refund	13,847.17
2017 Personal Tax Book	
By Collections	11,132,160.34
By Delinquent	1,016,861.98
By Abatements	193,068.64
By Protested	0.00
By Refund	1,085.78
2017 Utility Tax Book	
By Collections	1,372,354.27
By Delinquent	
By Abatements	
By Protested	
2017 Railroad Tax Book	
By Collections	
By Delinquent	
By Abatements	
By Protested	
2017	
By Collections	
By Delinquent	
By Abatements	
By Protested	
2017	
By Collections	
By Delinquent	
By Abatements	
By Protested	
Total Current Charges	71,404,852.84

Form 205 (Revised 12-2017)

Charges

Back and Protested	Amount
2016 and Prior Land Tax Book	
From Tax Book	4,880,591.59
From Additions	0.00
Total discrepancies from reports provided	57,343.40
2016 and Prior Personal Tax Book	
From Tax Book	2,153,461.75
From Additions	258,677.88
Total discrepancies from reports provided	32,804.19
2016	
From Tax Book	
2016	
From Tax Book	
2016 and Prior Protested Tax Book	
From Tax Book	23,428.82
From Interest on Protested Taxes	
Total Back and Protested	7,406,307.63
Other	
From Interest on Taxes	706,961.27
From Penalties (Fees, 2% Add-on, Etc.)	418,145.76
From Interest on Investments	31,176.75
From Licenses	33,425.00
From Duplicate Receipts	
From Clerk Fee	1,417.05
From Tax Sale/Lodging	1,690,218.89
Total Other Charges	2,881,344.72

Credits

Back and Protested	Amount
2016 and Prior Land Tax Book	
By Collections	2,435,730.19
By Delinquent	2,427,667.59
By Abatements	26,403.52
By Refund	48,133.69
2016 and Prior Personal Tax Book	
By Collections	1,030,411.46
By Delinquent	1,356,090.42
By Abatements	48,594.40
By Refund	9,847.54
2016	
By Collections	
By Delinquent	
By Abatements	
2016	
By Collections	
By Delinquent	
By Abatements	
2016 and Prior Protested Tax Book	
By Collections	23,429.12
By Refunds and Abatements	
By Protested	
Total Back and Protested	7,406,307.93
Other	
By Collections	706,961.27
By Collections	418,145.76
By Collections	31,176.75
By Collections	33,425.00
By Collections	
By Collections	1,417.05
By Collections	1,690,218.89
Total Other Credits	2,881,344.72

Form 205 (Revised 12-2017)

Mail to: Taxation Division
P.O. Box 453
Jefferson City, MO 65105-0453

Phone: (573) 751-5900
TTY: (800) 735-2966
Fax: (573) 522-1720
E-mail: countyfees@dor.mo.gov

Visit http://dor.mo.gov/business/citycounty/ for additional information.

Appendix B
Camden County Collector and Property Tax System
Annual Settlement Year Ended February 28, 2017

Form **205** Missouri Department of Revenue
Collector's Annual Settlement

Annual settlement of Vicky Burns, collector of Camden county
for year ending February 28, 20 17 .

Summary of Charges

	Amounts
Total Current*	68,912,343.03
Total Back and Protested	7,816,438.14
Total Other	2,780,269.10
Total Charges	79,509,050.27
Tax Book Differences	
Grand Total Charges	79,509,050.27
* Total Surtax in this Amount if not Shown as a Separate Distribution	81,411.09

Summary of Credits

	Amounts
Total Collections	71,457,984.72
Total Delinquents	7,034,053.34
Total Abatements	940,077.01
Total Protested	23,428.82
Total Refunds	53,506.37
Total Credits	79,509,050.26
Tax Book Differences	0.01
Grand Total Credits	79,509,050.27

Distributions

State	507,829.67	Workshop	919,496.41
General Revenue	1,787,489.89	SR Citizen	731,475.08
Special Road and Bridge	1,789,708.58	Sewer Bond	25,275.18
Health Center	473,285.21	Retirement Fund	188,151.19
Schools	47,500,963.51	Assessor Prop C & Funds	527,496.77
Cities	1,974.76	Collector's Funds & Prop C	683,999.62
Surtax		Collector's Fees & Comm	116,502.90
Road#1	1,071,820.52	Collector's Maint Fund	115,994.10
Library	1,535,436.91	Clerks's Fee	4795.95
Fire	9,522,535.77	Interest Earned	5,576.88
Lodging Tax/Tax Sale	1,683,957.60	Assessment	117,769.41
NIDS	318,653.79	Commissions: County	
Ambulance	1,827,795.02	Official	
Subtotal	68,021,451.23	Subtotal	3,436,533.49
		Total Distributions	71,457,984.72

I, Rowland A Todd, clerk of the county commission of Camden county hereby certify the above and the attached to be a copy of the annual settlement of the county collector with the county commission on the 12th day of May, 20 17, for the year ending February 28th, 20 17 as the same appears of record in my office.

In testimony whereof, I have hereunto set my hand and affixed the seal of the county commission of Camden county. Done at my office in Camdenton this 12th day of, May, 20 17.

Clerk of County Commission Rowland A Todd

ROWLAND A. TODD SEAL CLERK COUNTY COMMISSION CAMDEN COUNTY, MISSOURI

Form 205 (Revised 02-2016)

Charges

Current	Amount
2016 Land Tax Book	
From Tax Book	55,855,889.34
From Additions	0.00
From FCL and PILT Payments	3,902.46
Partial Payments	195,407.92
Total discrepancies from reports provided	-148,046.75
2016 Personal Tax Book	
From Tax Book	11,371,435.57
From Additions	184,363.66
Patrial Payments	38,530.98
Total discrepancies from reports provided	53,008.96
2016 Utility Tax Book	
From Tax Book	1,357,850.89
2016 Railroad Tax Book	
From Tax Book	
2016	
From Tax Book	
2016	
From Tax Book	
Total Current Charges	68,912,343.03

Credits

Current	Amount
2016 Land Tax Book	
By Collections	53,126,122.72
By Delinquent	2,671,612.40
By Abatements	80,164.73
By Protested	23,420.12
By Refund	5,833.00
2016 Personal Tax Book	
By Collections	10,522,886.82
By Delinquent	1,002,275.83
By Abatements	118,870.90
By Protested	8.70
By Refund	3,296.92
2016 Utility Tax Book	
By Collections	1,357,850.88
By Delinquent	
By Abatements	
By Protested	
2016 Railroad Tax Book	
By Collections	
By Delinquent	
By Abatements	
By Protested	
2016	
By Collections	
By Delinquent	
By Abatements	
By Protested	
2016	
By Collections	
By Delinquent	
By Abatements	
By Protested	
Total Current Charges	68,912,343.02

Form 205 (Revised 12-2016)

Charges	Back and Protested	Amount
	2015 and Prior Land Tax Book	
	From Tax Book	4,906,186.97
	From Additions	
	Total discrepancies from reports provided	-327,156.06
	2015 and Prior Personal Tax Book	
	From Tax Book	1,971,087.58
	From Additions	245,315.80
	Total discrepancies from reports provided	-4,025.24
	2015	
	From Tax Book	
	2015	
	From Tax Book	
	2015 and Prior Protested Tax Book	
	From Tax Book	1,025,029.09
	From Interest on Protested Taxes	
	Total Back and Protested	7,816,438.14
	Other	
	From Interest on Taxes	674,987.29
	From Penalties (Fees, 2% Add-on, Etc.)	396,791.38
	From Interest on Investments	5,576.88
	From Licenses	17,700.00
	From Duplicate Receipts	
	From Clerk Fee	1,255.95
	From Tax Sale/Lodging	1,683,957.60
	Total Other Charges	2,780,269.10

Credits	Back and Protested	Amount
	2015 and Prior Land Tax Book	
	By Collections	1,632,464.34
	By Delinquent	2,208,979.19
	By Abatements	699,262.39
	By Refunds	38,324.99
	2015 and Prior Personal Tax Book	
	By Collections	1,013,361.77
	By Delinquent	1,151,185.92
	By Abatements	41,778.99
	By Refunds	6,051.46
	2015	
	By Collections	
	By Delinquent	
	By Abatements	
	2015	
	By Collections	
	By Delinquent	
	By Abatements	
	2015 and Prior Protested Tax Book	
	By Collections	1,025,029.09
	By Refunds and Abatements	
	By Protested	
	Total Back and Protested	7,816,438.14
	Other	
	By Collections	674,987.29
	By Collections	396,791.38
	By Collections	5,576.88
	By Collections	17,700.00
	By Collections	
	By Collections	1,255.95
	By Collections	1,683,957.60
	Total Other Credits	2,780,269.10

Form 205 (Revised 12-2016)

Mail to: Taxation Division
P.O. Box 453
Jefferson City, MO 65105-0453

Phone: (573) 751-5900
TTY: (800) 735-2966
Fax: (573) 522-1720
E-mail: countyfees@dor.mo.gov

Visit http://dor.mo.gov/business/citycounty/ for additional information.

Appendix C
Camden County Collector and Property Tax System
Current County Collector's Response

Teresa M Murray

Camden County Collector of Revenue
1 Court Circle, Suite 4 - Camdenton, MO 65020 - 573-346-4440, Ext 1200

July 24, 2019

Deborah Whitis
Audit Manager
Missouri State Auditor's Office
PO Box 869
Jefferson City, MO 65102

Tina Disney
Senior Auditor III
Missouri State Auditor's Office
PO Box 869
Jefferson City, MO 65102

Responses to the State Audit Report for Camden County Collector's Office

The current Property Tax System used by the Camden County Collector was originally written and purchased in 1988, which at that time also encompassed the activities of the Assessor's and County Clerk Offices. It has been modified significantly over the past 30 years to adapt the system to changes in the state statutes and the growth in volume of the real estate and personal property articles within the county. The Assessor's Office moved from this combined package in 2015 to the Vanguard Assessor's package. In November 2017, as the current Collector I began the process of developing a new Taxpayer System that would remove the limitations presented by a system over 30 years old and to enable more taxpayer functionality and improved availability of information to the public. The plans for the new Collections System is scheduled to be implemented in its first phase in the fourth quarter of 2019, additional phases will follow.

The audit results highlighted in the Advisory Report were derived from an audit originally requested by Camden County in December 2017 and conducted during this time of transition. Many of the aspects of the report are encompassed in the development of the new Collector's System and report many of the short comings already identified in our process.

In response to section 1.1 of the Advisory Report, the County Collector and Collector's Chief Deputy are the only ones in the Collector's Office that can unpost a payment, an explanation is required before the process continues to unpost the payment. When generated the unpost report prints out the reason stated when unposted and shows by initials who unposted. This report can be generated at any time. A check returned for insufficient funds etc, is a necessary reason to unpost. While the current process does not require a secondary review or approval of the unpost, this has been incorporated into the new system. The Collector's Office does not have the capability to change assessed valuation or tax amount due.

Regarding the tracking of receipt numbers with the Collector's System, the programming of the old system did not track the receipt number from an un-post or when a payment transaction was not completed. Deleting a transaction receipt, when one of the collector's office staff starts to post a payment paid and has not followed thru to complete the process and backed out. Reasons to back out might be a taxpayer decided not to pay at that time or if the office personnel input an incorrect amount to be collected, this locks up the system and the transaction is aborted and you have to back out and start again. In both instances a delete receipt transaction takes place, therefore this results in gaps in the receipt sequence when reviewed. There were no reports for cancelled transactions. In the new Collector's System receipt numbers are tracked when assigned and cancellation actions for these receipts are also traced with an associated reason code and the user information of the person cancelling the receipt. This information will provide the necessary audit trail for tracking receipt numbers.

Regarding the ability of users to sign into different aspects of the system, the current Collector's System has individual user functions where specific user ids have been hard coded into the programming source code of the system. This limitation of the old system requires that the user credentials be shared among those whose job activities require this functionality. In developing the new Collector's System, these authorities have been transitioned to a role-based structure such that individual functionality may be granted or revoked from a single user id. The new system requires individual password assignments to limit the knowledge of an individual user's password to that specific individual and will require periodic password changes which will limit the use of prior passwords. Additionally, training is being implemented communicating the expectation that individuals will not share credentials.

Regarding the reporting of additions, abatements and deletes, knowing this was an issue in information provided for the annual settlement, our IT started capturing information in March 2018 to identify when the actions occur. We acknowledge that the system does not maintain a record of these transactions such that at a later date the system can generate a report (such as an audit trail) of the before and after values associated with these actions. A new automated addition, abatement, deletion system has been implemented that does allow for subsequent reporting of additions, abatements and deletions that are generated from the Assessor's Office to the Collector's Office through an automated system, that will track all activity and generate required reports. This system has been expanded to support transactions back to 2001 moving between the two offices.

Regarding the tracking of Railroad & Utility and Lodging Tax receipts, the issuance of statements and the associated tax receipts are being incorporated into the new Collector's System. For the 2018 & 2017 Railroad & Utility payments, a manual receipt was issued. In 2018 per recommendations from the State Auditor's Office numbered receipts were issued.

Overall, in response to section 1.1; Camden County has implemented system level changes beginning with the implementation of the Vanguard Assessor's System and culminating with the implementation of the New Collector's Tax Payer System later this year. The new system incorporates the ability to move from a single state of information to a transactional structure which will maintain an audit trail of changes throughout the taxation system with both prior and current information being available. This new system will also provide the identified reporting and user controls highlighted in the Advisory Report.

In response to section 1.2 of the Advisory Report, the current systems does not support the calculation and consolidation required for producing the annual tax settlement and as such, the process is manual. In the implementation of the new system, the Collector's Office will be automating the Annual Settlement. In addition, we are implementing disbursement functionality that will match the associated statements and receipts for tax payments to the disbursements conducted to the taxation entities. Having an automated system will help with the discrepancies provided to the Collector in compiling the annual settlement.

In response to section 1.3 of the Advisory Report, the calculations of the associated tax books are made in the background by the computer system when original tax records are generated and when additions, abatements and deletions are generated. The Collector's office gives the Clerk's Office the tax records to review the individual tax statements generated. The Clerk's Office oversees the associated levy rates and assessments entered into the automated system prior to these calculations occurring. The Clerk's Office receives a report of the initial tax roles when developed in October of each year. In addition to these tax roles, the new system will provide the Clerk's Office with daily transactional reports showing the additions, abatements and deletions so that a running tax role may be generated for comparison to the annual settlement.

In response to section 1.4 of the Advisory Report, the Collector's Office does provide the Auditor's office with daily reports of collections by user account. The Collector's Office has also instituted a policy of providing disbursements and associated details to the Auditor's Office following a disbursement being made.

In response to section 1.5 of the Advisory Report, the Collector and other offices involved in this process have been working together to implement an automated system for handling abatement, addition and deletion of valuations from the Assessor's office that result in changes to the property tax system. This new automated process will begin in the Assessor's office in his valuation system and changes will be uploaded in to the County Clerk's portion of the property tax system. The County Clerk will then confirm the calculations from the changes and generate individual reports along with a summary report for those changes and present them to the County Commission for review and approval (or disapproval). Once the sign off is done, these reports will be submitted back to the County Clerk's office to be scanned into the system for electronic approval by the County Commission. Initial plans are to have this system implemented in the fourth quarter of 2019.

The above described process is currently a manual process and the Commission is approving changes in a manual paper form until the new system is operational. Audit trails are maintained of before and after values in addition to the reporting of the individual changes made by parcel and the associated changes to taxing levies. In addition, the property tax system is being modified to generate reports highlighting these changes on a daily, weekly and monthly basis and be provided to the Auditor and County Clerk for their review.

This new system will also provide document scan attachments and trace the process thru the tax book, collection and abatement process. In the case of refunds, the refunding of monies to the parties by taking the new assessed valuation into the tax levies which withdraws the monies disbursed to the district entities. This procedure will help ensure county records are properly maintained and accurate.

In response to section 2.1 of the Advisory Report, while there is not documented procedures for the receipting, recording and deposits; procedures do exist that provide for these functions within the Collector's Office. Receipts, records and deposits do occur to support the taxpayer functions and licensing requirements within the county and in support of Department of Revenue requirements of the County, for the current and future collections. In response to those areas identified by the Advisory Report;

- Tax amounts due for railroad and utility property taxes are developed by the County Clerk's office and associated payments received are recorded against these tax statements. Since the time of the audit the Collector's Office has instituted a physical receipt system for these payments and is incorporating the collection process into the overall Collector's Taxpayer System.
- Modifications are being made to the new Collector's Tax Payer System to record and manage the issuance of receipt numbers and the associated reasons why receipts are cancelled.
- Merchant Licenses are being incorporated into the new system and receipt numbers being generated as stated above.

> Monies received are deposited in a timely fashion given the requirements to register and process payment based upon the post mark date of the mailing of taxes. This requires the assignment of batches based upon the postmark date over the receipt date. The Collector's office processes payments in this manner as the postal and processing delays could result in interest and penalties to taxpayers. In addition, from the period starting in November through mid-February there is a significant rise in the number of transactions to be processed due to the cyclical nature of the tax season causing a longer period of processing the received payments.

In regard to section 2.2 to the reporting and listing of liabilities outstanding by the Collector's Office;

> The 5 bank accounts referenced with unidentified balances are mail accounts used at local banks for the convenience of taxpayers to pay their tax bill locally instead of mailing payments to the County Collector. The unidentified balances in the mail accounts is interest that has not been transferred to the main account. Some banks require that you keep a balance thru out the year. Sur Tax & Assessor Fund monies accumulate monthly and are disbursed 1 time a year.

> The Collector's office has been allowing up to 5 years for the deposit of outstanding checks and managing accounts based upon the operating convenience of the taxpayer community to pay tax bills at their local bank. We have a process in place of accumulating these monies back to the primary account following the reconciliation of the individual bank account. (see 2.4)

> In addition, individual bank accounts for TIF, SurTax, Assessor's Fund and other special funds have been created to segregate these monies from other funds and for more accurate reconciliations.

Regarding the timeliness of Disbursements in Section 2.3, the Collector's Office did disburse monies in accordance with state law except in those circumstances where local ordinance provided additional requirements that made this impractical to meet. TIF payments, as stated above, require a third party review prior to disbursement. In addition, protested funds are not distributed until such time as the protest is resolved. The only other period where disbursements have been delayed are during the December close-out where additional time is required to process the influx of tax payments received prior to the start of the new year. In regards to the distribution error, this has been rectified and additional steps have been put into place to verify and substantiate data entry to prevent any future issues from occurring.

Regarding Outstanding Checks as highlighted in Section 2.4; as stated above the Collector's office has been allowing 5 years for outstanding checks to be deposited. We are implementing steps to reduce this period to 1 year. Part of the new outstanding check procedures, if the check is still outstanding after 6 months, the check holder will be notified by phone or mail and a log will be kept to keep us compliant with the unclaimed property rules. If we are unable to contact payee, the monies will be handed over to the Unclaimed Property Divisionof the State Treasurer's Office.

Regarding the Transfers highlighted in Section 2.5, the Collector's office has implemented a process to transfer monies from the bank accounts to the primary bank account in a timely manner. However, we do have to balance the checking accounts before transferring monies. As stated above we have also opened special accounts for TIF, SurTax and other monies so as to allow for better audit and reconciliation processes.

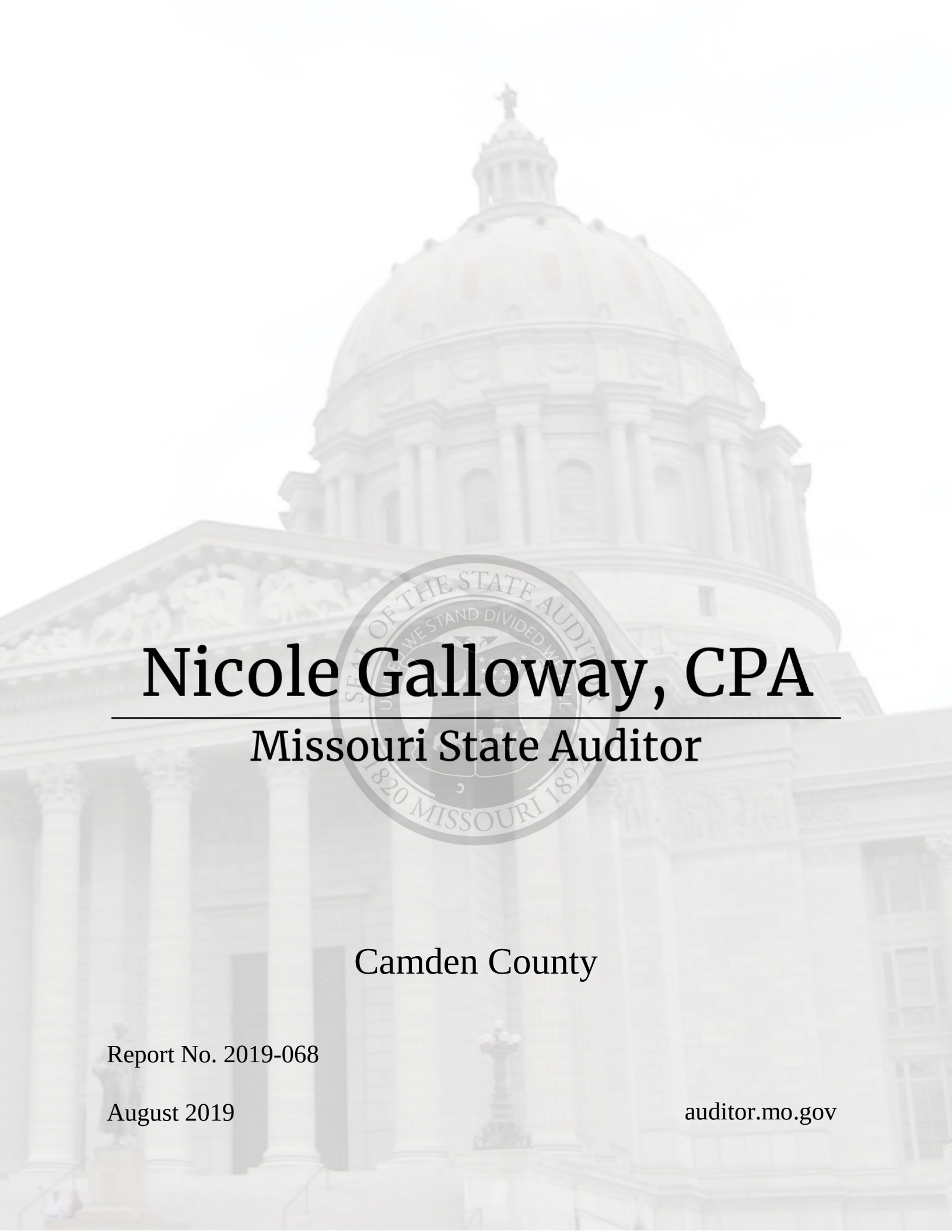
Overall in response to Section2, we understand the recommendations from the Advisory Report and implementing many of those aspects into our systems and processes. At the current time, the Collector's Office does have protocols to balance each workstation daily to monies collected at the counter and the monies deposited. Reports and deposit slips are turned over to the Auditor's Office at that time. In addition, a monthly report is run of the transactions posted and balanced against money collected and deposited, the report of the monthly distributions is given to the Auditor, County Clerk and Treasurer. Our new system will have enhanced reports for tracking and verifying the collections and distributions for the annual settlement.

Along with the monthly reports of disbursements, the money collected for the TIF, SurTax, Assessor Fund, Railroad & Utilities monies are also reported, and the Auditor, County Clerk and Treasurer receive these reports after money has been disbursed. A copy of the bank reconciliations is also provided to the Auditors Office monthly.

Thank you,

Teresa Murray

Teresa M Murray
Camden County Collector of Revenue
1 Court Circle NW, Suite #4
Camdenton, MO 65020
Teresa_Murray@camdenmo.org



Nicole Galloway, CPA

Missouri State Auditor

Camden County

Report No. 2019-068

August 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Camden County

County Management Procedures	Procedures related to procurement and disbursement of county funds need significant improvement. The county's procurement, disbursement, and reimbursement procedures do not always comply with the established purchasing manual and travel reimbursement policies. Controls over credit cards need improvement. The county has not adequately restricted access to the accounting and online purchasing systems, and logon credentials are shared among users. The Purchasing department does not ensure compliance with county policies and state law regarding competitive bidding requirements for purchases exceeding $6,000. The Juvenile Detention Center does not have written contracts with the 4 political subdivisions for which it houses juvenile detainees and the county does not always enter into written contracts when required. The county lacks adequate procedures to account for fuel used by county departments and fuel purchases using credit cards.
Payroll Controls and Procedures	County officials do not always follow personnel policies or update policies when related procedures change. The County Commission has not adequately segregated payroll duties and no one performs an independent or supervisory review of detailed payroll records. The County Clerk did not maintain documentation of approved pay rates and any changes to pay rates in employee personnel files.
Sunshine Law	The county's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement. The County Clerk does not maintain a log of public record requests to ensure all requests are handled in compliance with state law. The county's written policy regarding public access to county records is not adequate. The County Commission does not ensure minutes of all County Commission meetings are prepared, approved timely, and posted to the county's website. Some redactions made to documents do not appear appropriate.
Salary Commission	The Camden County Salary Commission has not met since 2005; however, the salaries of some elected officials increased starting in 2006.
Sheriff's Controls and Procedures	The Sheriff's procedures for receipting, recording, depositing, and reconciling payments need improvement. The Detention Administrative Assistant does not prepare a monthly list of liabilities for the inmate account and consequently, liabilities are not agreed to the reconciled bank balance. The Sheriff has not established procedures to routinely follow up on outstanding checks for the inmate account. The Sheriff's office does not have adequate procedures to ensure all inmate monies are refunded upon release. The Sheriff's office does not maintain adequate records to account for e-cigarettes purchased and sold to inmates, and inventory remaining on hand, or conduct periodic physical inventory counts. The Sheriff's office does not charge or collect sales taxes on e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's clerk did not prepare adequate bank reconciliations. Receipts are not always deposited timely and prior to disbursement. The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks for the restitution account.

Wastewater Department's Controls and Procedures	The County Commission and Wastewater Supervisor have not adequately segregated accounting duties and do not perform documented supervisory reviews of detailed accounting and transmittal records. Procedures for receipting, recording, and transmitting monies are not adequate.
Planning and Zoning Department's Controls and Procedures	The Planning and Zoning department has not established proper controls or procedures for receipting and transmitting monies.
Public Administrator's Controls and Procedures	Controls and procedures in the Public Administrator's office need improvement. The Public Administrator does not always file annual settlements timely and does not prepare bank reconciliations timely.
County Clerk's Controls and Procedures	The County Clerk has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The County Clerk has not established proper procedures for receipting and transmitting monies.
Recorder of Deeds' Controls and Procedures	The Recorder of Deeds has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting and bank records. The Recorder of Deeds did not prepare adequate bank reconciliations for January through November 2017. The Recorder of Deeds does not deposit monies timely.
GIS Department's Controls and Procedures	Controls and procedures in the Geographic Information System (GIS) department need improvement. The County Commission has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The GIS department has not established proper controls or procedures for receipting and recording monies.
Senior Board's Depositing Procedures	The Senior Citizens' Services Tax Fund Board does not always deposit receipts timely.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Camden County
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Camden County

The State Auditor was requested under Section 50.057, RSMo, to audit Camden County. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Camden County for the year ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

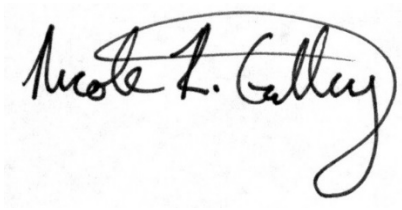
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Camden County.

An additional report, No. 2019-069, *Camden County Collector and Property Tax System*, was issued in August 2019.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Tina Disney, M.Acct., CFE
Audit Staff:	Charity Grotzinger, CGAP
	Devin Jackson
	John-Henry T. Jarwood, MBA
	Sheldon Hayes
	Sacha Tejan, CFE

1. County Management Procedures

Procedures related to procurement and disbursement of county funds need significant improvement.

The county's purchasing manual indicates the Purchasing department is responsible for purchasing all items necessary to conduct county business, including obtaining bids as required by state law, issuing purchase orders, and maintaining an inventory of supplies in the Central Supply department. The Central Supply department is open daily for county offices and departments to obtain necessary supplies. For services and goods not available in the Central Supply department, a purchase requisition must be submitted to the Purchasing department. The Purchasing department is then responsible for ensuring the required bids and approvals to award the bid are obtained prior to issuing the purchase order and ordering from the vendor. After the vendor delivers the goods or services to the applicable office or department, confirmation of receipt of goods or services is to be returned to the Purchasing department. Upon receipt of the vendor invoice, the Purchasing department pulls the requisition and purchase order, verifies prices, and attaches them to the confirmation of receipt and other pertinent paperwork. The Purchasing department then sends a batch of invoices ready for payment to the County Auditor for approval, after which the batch is sent to County Commission for final approval before being sent to the Accounts Payable department to process the payments.

1.1 Disbursement review and documentation

The county's procurement, disbursement, and reimbursement procedures do not always comply with the established purchasing manual and travel reimbursement policies. As a result, invoices and employee reimbursements are not always properly approved and adequately supported. In addition, the county has no policies or procedures to determine the most cost-effective method to provide or reimburse employees for cell phone service.

Approval and documentation

The Accounts Payable department does not always ensure officials or department heads have documented their review and approval of invoices and reimbursement request forms, and does not always ensure all required supporting documentation, including detailed invoices and acknowledgement of receipt of goods or services, is available prior to paying bills. We noted 14 of 82 disbursements reviewed did not contain the appropriate approvals. We also noted adequately detailed supporting documentation was not available for 21 of 82 disbursements reviewed.

Reimbursements

Employee reimbursements do not always comply with established travel reimbursement policies. In addition, the county reimburses some employees for purchases instead of requiring them to obtain these items from the Central Supply department or through the Purchasing department when items are not available at the Central Supply department. State sales tax was paid on several of these reimbursements. For example, in June 2017 an elected official untimely submitted a reimbursement claim form for 5 months of travel

expenses and was reimbursed $873 for 1,617 miles driven to "reviews, classes" between January 18 and May 26, 2017. The travel destinations were noted on the claim form, but no documentation was available to show the purpose of the trips or verify attendance at events. In addition, an employee was reimbursed $6,816 during 2017 for various items purchased outside the county's normal procurement process including ammunition, firearm accessories, a laptop, electronic storage devices, cell phone accessories, and supplies. These items were picked up by the employee or shipped to the employee's residence. The county paid $173 in state sales related to these reimbursements.

Cell phones

The county has no bid process for selecting a cell phone provider or analysis of costs to reimburse employees for use of their personal cell phones. In addition, the county does not have a process or criteria for determining which employees will be provided with county cell phones or reimbursed for use of their personal cell phone for county business. Each official or department determines which employees need a cell phone, whether to issue a county cell phone through a vendor, or the amount to reimburse employees for personal cell phone use. The county paid AT&T Mobility $18,792 and Verizon Wireless $52,028 during 2017 for cell phone services. The county also reimbursed some employees for using personal cell phones for county purposes. For example, a road and bridge department employee was reimbursed $40 per month and a circuit court judge was reimbursed $90 per month during 2017.

Conclusion

Requiring acknowledgement of the receipt of goods and services prior to payment helps ensure the county actually received all items. To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be supported by paid receipts, itemized vendor invoices, or other detailed documentation with payment information clearly indicated. County policy requires employees to submit a form accompanied by receipts or other appropriate documentation for travel expenses within 30 days after travel is completed. In addition, Section 50.757, RSMo, requires the purchasing agent to purchase all supplies necessary for all county departments.

1.2 Credit card purchases

Controls over credit cards need improvement. Various county employees use credit cards instead of following the county's purchasing manual and obtaining purchase orders through the Purchasing department prior to purchasing equipment, supplies, and various other items. The county has 20 credit cards that can be checked out by employees and the Sheriff's office has 18 credit cards that are assigned to certain deputies. These cards are used to purchase fuel, supplies, equipment, and various other items. During the year ended December 31, 2017, credit card purchases by Sheriff's office employees and other county employees totaled $76,195 and $55,579, respectively. We identified the following problems.

- The County Commission and the Sheriff have not adopted formal policies and procedures documenting who should be assigned a credit card, appropriate usage for the credit cards, and required documentation to support credit card purchases.

  Complete and detailed written credit card policies and procedures are necessary to provide guidance to employees. The County Commission and the Sheriff should develop policies that indicate who should be assigned a credit card and appropriate usage of credit cards and require all invoices to be submitted prior to payment of credit card billing statements.

- County officials do not ensure employees comply with the county's meal reimbursement policy. For example our review of the Sheriff's office credit card purchases made during 2017 identified 25 transactions totaling $1,624 for food and drink purchases at local restaurants or stores (within the county) for the Sheriff and his employees, although county policy only allows for such reimbursements for travel outside the county. None of these transactions were supported by information demonstrating how the purchase related to the operation of the Sheriff's office or detailing the persons in attendance to ensure the transaction was a reasonable and prudent use of public funds.

  In addition, these payments were not added to employee W-2 forms as a taxable benefit as required by Internal Revenue Service (IRS) regulations. This problem continued even though the county was notified after an IRS examination of concerns with reimbursement for daytime meals. In an IRS notice dated September 9, 2015, the IRS instructed the county to include in employees' wages the value of meals reimbursed during travel that is not overnight or change procedures to reimburse meals only when an overnight stay is required.

  According to IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses, the cost of business meals that does not involve overnight travel or travel long enough for the employees to stop for sleep or rest to properly perform their duties is a personal expense, and therefore is not deductible as a business expense. In addition, IRS Publication 15-B states that any fringe benefit provided by an employer is taxable and must be included in the employee's pay unless excluded by law.

- The Sheriff does not require an independent review and approval of all purchases made using credit cards. The Sheriff has the Chief Deputy and 2 Captains approve all credit card purchases including their own with no independent review.

To ensure expenditures are an appropriate use of public funds, the Sheriff should ensure an adequate independent review of all purchases is performed.

Credit card purchases are inherently more risky than other purchases because these purchases are or can be made prior to proper approval. That risk and the potential for fraud or misuse increases even more when internal controls and proper procedures are lacking. Credit card policies and procedures are necessary to ensure all credit card purchases are appropriate and in compliance with county purchasing and meal reimbursement policies, and to reduce the risk of unauthorized purchases occurring. Meal purchases without overnight travel should be monitored and properly reported on W-2 forms.

1.3 User access, identifications, and passwords

The county has not adequately restricted access to the accounting and online purchasing systems, and logon credentials are shared among users. Accounts Payable department personnel have access rights in the accounting system allowing them to create new vendors based on invoices they receive. Because that department is responsible for making disbursements, good internal controls require they not have access rights allowing alteration of the vendor list. Instead, any changes to the vendor list should be performed by the Purchasing department.

In addition, the County Auditor shares his user identification and password with the Purchasing department for the online purchasing system. The Purchasing Manager also shares her user identification and password with the Auditor's Clerk so he can transmit batches of approved purchase orders to the accounts payable system in her absence. The County Auditor is responsible for electronically approving purchase orders and initial approval of invoices submitted for payment. The County Commission performs final approval of invoices. While a user identification and password are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Allowing users to share logon credentials increases the risk of unsupported or unauthorized purchases being made and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should be kept confidential to reduce these risks.

System controls would be improved by limiting users access in the accounting and online purchasing systems to only those functions necessary to perform their duties and ensuring all employees maintain confidential passwords.

1.4 Bidding procedures

The Purchasing department does not ensure compliance with county policies and state law regarding competitive bidding requirements for purchases exceeding $6,000. In addition, the county has not established policies and procedures for the selection of vendors providing professional services.

For 15 purchases reviewed (all exceeding $6,000) the Purchasing department could not provide documentation to demonstrate bids or requests for proposals had been solicited. The total annual payments to the vendors associated with these 15 purchases was $725,397 during 2017. The purchasing manual requires the Purchasing department to solicit sealed bids for purchases estimated to cost $6,000 or more to be submitted to the County Clerk to be opened and considered at a bid opening meeting. Purchasing department personnel said they do not enforce this policy and the County Auditor and County Commissioners approved these expenditures without the required bids or proposals.

Section 50.660, RSMo, addresses bidding requirements. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made. In addition, soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the county to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.

1.5 Contracts

We noted the following issues regarding contracts:

- The Juvenile Detention Center does not have written contracts with the 4 political subdivisions for which it houses juvenile detainees. During the year ended December 31, 2017, payments from these political subdivisions totaled approximately $249,900.

- The county does not always enter into written contracts when required. Fifteen of the disbursements we reviewed required contracts; however, for 11 of them the county had not entered into a contract or did not have a current contract in place. For example, the county paid a law firm approximately $89,700 during 2017, but the contract on file with this firm had not been updated since March 2007.

Section 432.070, RSMo, requires government contracts be in writing. Clear, detailed, and timely written contracts are necessary to ensure all parties are aware of the services to be performed and the compensation to be paid for the services.

1.6 Fuel use

The county lacks adequate procedures to account for fuel used by county departments and fuel purchases using credit cards. During the year ended December 31, 2017, fuel purchases totaled approximately $376,100 for the

Road and Bridge department and approximately $141,500 for the Sheriff's office.

- Bulk fuel is stored in a fuel tank at the Road and Bridge department for use of all county vehicles, including the Sheriff's vehicles. This tank is metered and the Road and Bridge department maintains a computerized fuel system to track the date, time, mileage, and total fuel cost for all county vehicles. However, no one uses these records to reconcile fuel use with fuel purchases.

- The Sheriff's office does not have a procedure in place to ensure fuel purchases with credit cards are reasonable and necessary. Sheriff's office personnel purchased fuel with credit cards totaling $4,045 during the year ended December 31, 2017. Of this amount, $1,517 was fuel purchases within the county when fuel should have been obtained from the bulk tanks. The Sheriff should periodically review fuel usage for reasonableness and document his review.

Procedures for reconciling fuel use to fuel purchases are necessary to ensure vehicles and equipment are properly utilized; prevent paying vendors for improper amounts; and decrease the risk of loss, theft, or misuse of fuel occurring and going undetected.

Recommendations

The County Commission:

1.1 Ensure procurements, disbursements, and reimbursements comply with the established purchasing manual and travel reimbursement policies. Ensure invoices are adequately reviewed by officials, require documentation of receipt of goods and/or services prior to payment of invoices, and maintain adequate supporting documentation for all disbursements. Solicit bids for cell phone services and develop policies and procedures to determine the most cost-effective method to provide this service to employees.

1.2 Work with the Sheriff and other county officials to establish written credit card policies and procedures, ensure compliance with county purchasing policies, and ensure credit card purchases are properly approved. In addition, the County Commission should ensure employees comply with the county's meal reimbursement policy and ensure meal reimbursements without overnight travel are properly reported on W-2 forms.

1.3 Work with the County Auditor and County Clerk to ensure access to the accounting and purchasing systems is limited to only what is needed for users to perform their job duties and responsibilities, and require employees maintain confidential passwords.

1.4 Ensure bids and proposals are solicited for all applicable purchases of goods and services in accordance with state law. In addition, the County Commission should establish a policy to address the selection of professional services.

1.5 Enter into written agreements with vendors and political subdivisions as required by state law and ensure the contracts are periodically updated.

1.6 Ensure fuel logs are reviewed for accuracy and reconciled to fuel purchases. In addition, the Sheriff should periodically review fuel usage from credit card purchases for reasonableness and document his review.

Auditee's Response

The County Commission provided the following responses:

1.1 The current software used to track and manage procurements and disbursements is 30 years old and incapable of managing everything necessary for all steps required. New software being installed during 2019 will have a comprehensive method of tracking and attaching all documentation with an entry that will allow sufficient review and approval for all purchases and expenses. In the meantime, we will work with county officials and department supervisors to ensure compliance with the established purchasing manual and travel reimbursement policies, invoices are properly reviewed, and adequate supporting documentation is maintained for all disbursements.

Effective July 1, 2019, the county developed a cell phone policy for providing certain county offices cell phones and restricting/limiting employee reimbursement for using personal cell phones. In February 2019, the county entered into a 2-year contract with Verizon Wireless under the U.S. General Services Administration (GSA) IT Schedule 70 contract, a federal cooperative purchasing program that allows state and local governments to purchase IT products and services. The county plans to utilize the GSA cooperative purchasing program for all wireless services in the future.

1.2 A new written credit card policy was developed by the County Commission in connection with all other elected officials. This policy was approved by the Commission and went into effect on July 1, 2019. The Sheriff developed his own credit card policy which was incorporated into the county policy. It is the intent that this new policy will alleviate the concerns expressed in the audit. In addition the County Auditor and the County Commission are writing a new

policy to address the addition of meal reimbursements without overnight travel to W-2 forms.

1.3 In the County Commission office no one shares passwords. In addition, commissioners only have access to the purchasing system and the accounting system areas necessary for them to perform their duties. We are currently working with the new system developer to ensure user access is adequately restricted. In addition, the new software system being installed includes tracked access to data input and retrieval. Training on the new software is to be implemented at the end of 2019 and into 2020. It is anticipated that this training will cover password confidentiality for all county employees.

1.4 Bids and proposals are generally solicited as required by state statute. In addition, an email was sent to all offices restating the need to comply with the state statutes on bidding procedures and was accompanied by a copy of all state statutes pertaining to bidding. The County Commission will work with the Purchasing department and the County Auditor to ensure compliance with statutory bidding requirements. We are developing an "agreement" process to ensure that bid acceptances are fully executed, signed, and documented with all documentation retained as required.

1.5 Intergovernmental agreements are typically done as required. The one that was noted as missing was the Juvenile Justice System. However, four requests were sent to this facility requesting intergovernmental agreements with all the counties concerned over a six month time period. No agreements were ever provided. New legal contracts were obtained with all law firms except one, which was requested 2 times and not received.

The county intends to obtain written agreements with vendors going forward. We will continue to work with all political subdivisions to obtain or update intergovernmental agreements and to obtain or update all contracts as required.

1.6 A new fuel policy was developed by the County Commission in connection with all other elected officials. This policy was approved by the County Commission and went into effect on July 1, 2019. The Sheriff developed his own additional fuel policy to coincide with his credit card policy. The Road and Bridge department has developed an extensive fuel policy to control and review use of the county bulk fuel tanks. A copy of this policy is available upon request. Each user has an individual identification number that must be utilized to obtain fuel. All documentation is required to be retained and submitted timely to the Road and Bridge department. The Road and Bridge

department will submit all fuel usage reports to the County Auditor's office on a monthly basis for review.

The Sheriff provided the following responses:

1.2 A policy is being implemented for command staff to authorize and approve credit card purchases. For online purchases, the Purchasing department must approve items based on lowest cost. The Sheriff's office will no longer provide meals for employees on daily travel. The Sheriff's office will document reasons for any in-county meals for special purpose events, including names of attendees.

1.6 A copy of the fuel charge statement will be given to the Sheriff for his review on a monthly basis.

The County Auditor provided the following responses:

1.3 The County Auditor's office upon discovery of problems made immediate corrections on April 4, 2018. The County Auditor's office also educated its staff that sharing user identifications and passwords is not allowed.

1.4 The County Auditor's office will develop internal control procedures to ensure compliance with federal and state laws and county policy for bids and contracts for purchases of goods and services. This will be done in conjunction with the development of our new financial software tentatively planned to be implemented by December 2019.

2. Payroll Controls and Procedures

Controls and procedures over payroll need improvement. The county paid personnel salaries and wages totaling approximately $9.4 million during the year ended December 31, 2017.

2.1 Personnel policies and procedures

County officials do not always follow personnel policies or update policies when related procedures change. As a result, the county may be providing more compensatory, vacation, and military leave compensation than required resulting in a greater financial burden. In addition, procedures to monitor leave balances are not sufficient.

- County and Sheriff's office policies regarding law enforcement compensatory time accruals and overtime pay do not match and actual compensation awarded is not consistent with either policy. The county's personnel policy provides for law enforcement personnel to accrue compensatory time or receive overtime pay for any time worked over 168 hours during a 28 consecutive day period. The Sheriff's office policy provides for traditional and non-traditional law enforcement personnel to accrue compensatory time or receive overtime pay for any hours worked

over 168 and 160, respectively, in a 28-day period. The county currently awards compensatory time or overtime pay to traditional and non-traditional law enforcement personnel who work more than 84 and 80 hours, respectively, in a 14-day period.

- County employees were allowed to accrue vacation and compensatory leave in excess of the maximum allowed per county policy and military leave was paid out in excess of amount allowed per county policy. During our review of 10 employees' payroll records for the pay period ended February 10, 2018, we noted 5 employees' accrued vacation balances exceeded the maximum allowed by amounts ranging from 2.6 hours to 6.2 hours and 1 employee's accrued compensatory balance exceeded the maximum allowed by 89.5 hours. In addition, our review of 3 employees' military leave for the pay period ended March 10, 2018, noted military leave was paid at their regular hourly rate instead of the difference between their regular compensation and their military pay per county policy.

- Leave balances in the new payroll system are not accurate. In January 2018, the County Commission moved payroll duties from the County Clerk's office to the Human Resources (HR) office and contracted with a new payroll processing provider. Our comparison of beginning leave balances in the new system to ending leave balances in the County Clerk's payroll system identified discrepancies. We noted sick and vacation leave balances for 6 employees were not carried over to the new system. In addition, we noted compensatory time balances within the new system for 59 employees differed from the County Clerk's payroll system balances. The HR Director indicated she did not use balances from the County Clerk's payroll system, but instead used balances from the various departments' tracking systems. We compared balances from the departments' tracking systems to the new system and noted 6 employees' compensatory time balances were short by 2 hours to 24 hours and 3 employees' compensatory time balances were high by 3 to 60 hours. The HR Director could not provide explanations for these discrepancies or documentation to demonstrate the correct beginning leave balances were entered into the new system.

Personnel policies should be updated to provide guidance to county employees, provide a basis for proper compensation, and avoid misunderstandings. By not following county policies, the county may be paying more overtime, compensatory time, and military compensation than required resulting in a greater financial burden. In addition, without adequate leave records, the county cannot ensure leave earned and taken by employees is properly documented. Leave records also aid in determining final compensation for employees leaving county employment.

2.2 Segregation of duties

The County Commission has not adequately segregated payroll duties and no one performs an independent or supervisory review of detailed payroll records. The HR Benefits Coordinator electronically submits the payroll expenditures to the county's contracted payroll provider. Provider personnel automatically withdraw payroll expenses from the county's bank account without any independent review. Because the HR department is responsible for entering approved pay rates and establishing/maintaining personnel records for county employees, HR personnel should not have access to or be responsible for entering payroll data and processing paychecks.

Proper segregation of duties is necessary to ensure payroll transactions are appropriate and accounted for properly. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed payroll records are essential. In addition, Section 55.160, RSMo, states no warrant shall be drawn or obligation incurred without the auditor's certification that an unencumbered balance, sufficient to pay the same, remain in the appropriate account or in the anticipated revenue fund against which such warrant or obligation is to be charged.

2.3 Approved pay rates

The County Clerk did not maintain documentation of approved pay rates and any changes to pay rates in employee personnel files. Documentation of approved pay rates, signed by the respective official, should be maintained for all county employees. Without documentation of approved pay rates, there is less assurance payments to employees are properly authorized.

Recommendations

The County Commission:

2.1 Review and update personnel policies, as necessary, and ensure compliance with the policies. In addition, the County Commission should ensure employee leave balances are properly tracked and monitored.

2.2 Segregate payroll duties or ensure documented supervisory reviews of detailed payroll records are performed. In addition, the County Auditor should review payroll expenses prior to disbursement as required by state law.

2.3 Ensure documented approvals of pay rates for all county employees are maintained.

Auditee's Response

The County Commission provided the following responses:

2.1 The County Commission has reviewed personnel policies and has made changes to the handbook as needed and this process will continue. In addition, the County Commission and the County Auditor will be working together to develop a new policy to address

compliance issues. Leave balances are tracked in payroll. The new software being installed at this time includes a payroll module that will automatically track leave time. It will then be reviewed by the Payroll Clerk and then sent to the County Auditor for final review and confirmation.

2.2 Pursuant to the state audit, all payroll is sent to the County Auditor's office for approval before it is sent to the payroll processor. Additionally, the HR Director and the HR Benefits Coordinator (Payroll Clerk) now perform separate functions. The HR Director will not process payroll in any form. The HR Director and the HR Benefits Coordinator will still work together to manage benefits and insurance, however they will both have separate jobs and responsibilities. The HR Director inputs new employees into the payroll system, manages personnel files, manages insurance, handles leaving employees, and employs best practices for Human Resources. The HR Benefits Coordinator handles benefits and handles payroll functions with a 3rd party payroll processor.

In addition, the new software that is being implemented by the county will include a payroll module which should make the separation easy and distinct. This system will continue to allow the County Auditor to review payroll before it is processed by the HR Benefits Coordinator. It should also give a better audit trail for all portions of the payroll function. This software is anticipated to "go live" with the payroll module sometime in September or October 2019.

2.3 All approved pay rates are now being retained in each employee file including any raises that are given.

The County Auditor provided the following response:

2.2 Complying currently in a limited capacity that is extremely labor intensive with authorization control and tracking in a manual form. Upon implementation of a new financial software system, tentatively by December 2019, the county will comply with Section 55.160, RSMo, by developing digital controls of authorization, including an audit trail for tracking.

3. Sunshine Law

The county's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement.

3.1 Records requests

The County Clerk does not maintain a log of public record requests to ensure all requests are handled in compliance with state law. While the County Clerk indicated there were requests for records, neither the County Clerk nor the contracted legal counsel for responding to Sunshine Law requests maintain a

log or other record of public records requests to ensure all requests are handled in compliance with the Sunshine Law.

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request is received. To ensure compliance with state law, the county should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request.

3.2 Public access policy

The county's written policy regarding public access to county records is not adequate. The policy, effective March 28, 2017, does not identify a person to contact, provide an address to mail such requests, or establish fees that may be assessed for providing copies of public records. A written policy regarding public access to county records should establish guidelines for the county to make records available to the public.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the county to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

3.3 Meeting minutes

The County Commission does not ensure minutes of all County Commission meetings are prepared, approved timely, and posted to the county's website. Minutes were not available for 12 of 113 possible open meetings and 4 of the 14 closed meetings held during the year ended December 31, 2017. For 5 of the 12 open meetings with no minutes, the County Commission indicated no meetings were held. Our review of the related agendas and subsequent meeting minutes gave the appearance that meetings occurred. The agendas stated "No Official Business Requiring Voting Action" and did not clearly indicate that no meetings took place. Subsequent meeting minutes showed the County Commission took action regarding minutes for 2 of the 5 meetings, with the minutes approved for one meeting and the approval tabled for the other meeting.

In addition, for the majority of the available minutes, the preparer and the County Commission had not signed them and minutes for several open meetings were not approved timely. For example, minutes of the June 20, 2017, meeting were not approved until August 15, 2017. In addition, minutes for 25 open meetings were not posted to the county's website, which is the county's procedure.

The County Commissioners voted to change the responsibility for preparing meeting minutes from the County Clerk to the HR Benefits Coordinator on March 23, 2017. The HR Benefits Coordinator does not always prepare meeting minutes timely and present them to the County Commission for review and approval. Once the minutes have been approved, the HR Benefits Coordinator submits them to the County Clerk's office to file and the Information Technology department to post online.

Section 610.020.7, RSMo, requires minutes of open and closed meetings be maintained as a record of business conducted and to provide an official record of actions and decisions. The meeting minutes should be signed by the preparer and subsequently approved by the County Commission to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings. Section 610.023.2, RSMo, requires the county make records available to the public for inspection and copying. Without timely County Commission approval of meeting minutes, the public records of open County Commission meetings cannot be made available to the public within a reasonable time period.

3.4 Redactions

Some redactions made to documents do not appear appropriate. The County Commission redacted information on legal bills prior to sending them to the Accounts Payable department for payment and the Custodian of Records to maintain as public records. We obtained original legal bills (unredacted) and compared them to the redacted copies. Based on our review, some of the information redacted was not confidential. Also, internal redactions of information that is not confidential from invoices submitted to the Accounts Payable department lessens the ability to perform adequate reviews and ensure the validity and appropriateness of billings.

Legal bills generally do not constitute privileged communications or a basis to close records under the Sunshine Law. Redacting non-confidential information from legal bills violates Section 610.023.2, RSMo, requiring county records to be made available for inspection and copying.

Recommendations

The County Commission:

3.1 Maintain a public request log to help ensure compliance with state law.

3.2 Update the written public access policy regarding procedures to obtain access to, or copies of, public records.

3.3 Ensure meeting minutes are prepared, approved timely, and maintained for all open and closed session meetings. Also ensure meeting minutes are signed by the preparer and the County Commission.

3.4 Ensure redactions to county documents are appropriate and in compliance with the Sunshine Law.

Auditee's Response

The County Commission provided the following responses:

3.1 &
3.2 The County Commission will comply with the state statute in regards to the Sunshine Law. The county has a Sunshine Law attorney who responds to requests. An amended Sunshine Law policy will be developed that complies with state statute. The County Clerk has stated that his office will retain a log of requests and documentation provided to the requestor.

3.3 The County Commission will ensure meeting minutes are prepared, approved timely, and maintained for all open and closed session meetings. We will have all minutes signed by the preparer and the County Commission.

3.4 The County Commission will ensure that redactions to county documents are appropriate and are in compliance with the Sunshine Law.

The County Clerk provided the following response:

3.1 Although a "log" was not maintained prior to the audit, each written request was "noted" with the date received, date fulfilled, fee charged, and a copy of what was provided was attached (unless it was too large). At the recommendation of the auditors, a "log" has now been created and is being used to record all pertinent Sunshine Law request information.

4. Salary Commission

The Camden County Salary Commission has not met since 2005, yet the salaries of some elected officials increased starting in 2006. The Salary Commission last met in November 2005 and established future salaries based on the county's assessed valuation.

Section 50.333.7, RSMo, states the Salary Commission shall meet at least once before November 30th of each odd-numbered year for the purpose of determining the amount of compensation to be paid for the next term of office for each county officer to be elected in the next general election. Section 50.333.9, RSMo, states the current compensation of each affected office or officer shall continue to be paid if the Salary Commission fails to meet or reach agreement. Salaries represent a significant disbursement for the county and, as a result, it is essential the Salary Commission meet regularly as required and document decisions.

Recommendation

The County Commission ensure the Salary Commission meets at least once prior to November 30th of each odd numbered year as required by state law.

Auditee's Response

The Salary Commission met on November 7, 2018, for a training session and on November 14, 2018, for a voting session. Minutes and agendas are available on request. The Salary Commission will continue to meet on a regular basis in compliance with state law.

5. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office processed inmate monies, paper service fees, concealed carry weapon (CCW) permit fees, bonds, and other miscellaneous receipts totaling approximately $778,200 during the year ended December 31, 2017.

5.1 Receipts and deposits

Procedures for receipting, recording, depositing, and reconciling payments need improvement.

- Sheriff's office staff issue generic unnumbered bond forms and do not issue receipt slips for bonds received. As a result, neither the Sheriff's Administrative Assistant nor the Sheriff can account for all bonds received and ensure bond monies are handled properly. The Sheriff's office collected approximately $702,400 in cash bonds during the year ended December 31, 2017.

- Sheriff's office staff do not issue receipt slips for garnishment fees and receipt slips are not always issued for civil fees. Our review of May 2017 records for civil fees identified checks and cash totaling $3,179 and $10, respectively, that were deposited but not receipted. The Sheriff's Administrative Assistant stated office personnel only issue receipt slips for check payments if the payor requests a receipt.

- The Sheriff's Administrative Assistant does not account for the numerical sequence of receipt slips or CCW permit numbers. As a result, there is no assurance all monies received are deposited and the composition of receipts is not reconciled to the composition of deposits.

- Monies received from the sale of deputies' firearms that are being replaced are not receipted or transmitted timely. For example, $1,500 (cash) received from the sale of firearms in December 2017, was originally transmitted to the County Treasurer on December 19, 2017; however the Sheriff's office requested the money back that same day and did not transmit it again until January 3, 2018.

Failure to implement adequate receipting, recording, transmitting, and reconciling procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected.

5.2 Liabilities

The Detention Administrative Assistant does not prepare a monthly list of liabilities for the inmate account and consequently, liabilities are not agreed to the reconciled bank balance. At our request, a list of liabilities was prepared for the inmate account. Identified liabilities totaled $22,894 at December 31, 2017. The reconciled bank balance was $23,589, resulting in an unidentified balance of $695.

Monthly lists of liabilities should be prepared and reconciled to the available cash balance to ensure sufficient cash is available for the payments of amounts due and all monies in the bank can be identified. Prompt follow up on discrepancies is necessary to resolve errors.

5.3 Outstanding checks

The Sheriff has not established procedures to routinely follow up on outstanding checks for the inmate account. As of December 31, 2017, 238 checks written to former inmates totaling $889 had been outstanding for more then a year, with 61 checks dating back to 2010.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

5.4 Inactive inmate account balances

The Sheriff's office does not have adequate procedures to ensure all inmate monies are refunded upon release. As of December 31, 2017, the Sheriff's office was holding $7,780 for 478 former inmates in the inmate account.

Follow up on inactive accounts is necessary to ensure monies are appropriately disbursed to former inmates or as otherwise provided by state law. In addition, establishing procedures to refund all inmate monies upon release will allow the Sheriff to more adequately safeguard any monies being held and reduce the risk of loss, theft, or misuse of funds.

5.5 E-cigarettes

The Sheriff's office does not maintain adequate records to account for e-cigarettes purchased and sold to inmates, and inventory remaining on hand, or conduct periodic physical inventory counts. E-cigarettes receipts indicate sales to inmates totaled approximately $17,500 or 1,750 e-cigarettes for the year ended December 31, 2017. As a result, records and procedures are not sufficient to account for e-cigarettes or monies collected, and loss, theft, or misuse may go undetected.

Adequate inventory records are necessary to account for e-cigarettes. Comparisons of e-cigarette purchases and sales to inventory records are necessary to ensure the e-cigarettes and associated monies are properly recorded and handled.

5.6 Sales tax

The Sheriff's office does not charge or collect sales taxes on e-cigarettes sold to inmates, and no sales taxes are remitted to the Department of Revenue

(DOR). 12 CSR 10-110.955(3)(B) provides that sales by the state of Missouri and its political subdivisions are subject to tax. Therefore, office personnel should be charging and collecting sales tax and remitting tax collections to the DOR.

Recommendations

The Sheriff:

5.1 Issue prenumbered receipt slips for all monies received, account for the numerical sequence of receipt slips, and reconcile the composition of receipts to the composition of deposits and transmittals. The Sheriff should also transmit monies timely and intact.

5.2 Prepare monthly lists of liabilities and reconcile the list to the reconciled bank balance monthly. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.

5.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

5.4 Refund all inmate monies to inmates upon release. In addition, the Sheriff should attempt to resolve unclaimed balances of inactive inmate accounts. If the payee cannot be located, the amount should be disbursed in accordance with state law.

5.5 Maintain accurate inventory records of e-cigarettes, reconcile these records to e-cigarettes purchased and sold, and perform periodic physical inventory counts.

5.6 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on e-cigarette sales and ensure all future sales tax collections are remitted to the DOR.

Auditee's Response

5.1 The Corrections Supervisor is having staff complete sequentially numbered cash receipt slips for bond receipts. One copy will accompany the bond sheet, one copy is for the inmate, and one copy stays in book. This is a temporary process until we figure out and obtain sequentially numbered bond forms.

We began issuing receipt slips for all civil fee and garnishment fee transactions at the auditor's request in early 2018. The Administrative Assistant will be reviewing and initialing all receipts to match up civil paperwork.

We began issuing sequentially numbered receipt slips for CCW permits at the auditor's request in early 2018.

We will account for the numerical sequence of receipt slips, compare the composition of receipt slips to the composition of deposits and transmittals, and transmit monies timely and intact.

5.2 I have had an electronic report of liabilities made that will be run and used when doing the bank reconciliations every month. We will also investigate and resolve any differences monthly. Any unidentified monies will be disposed of per state law.

5.3 I have established procedures to periodically follow up on outstanding checks. We are reissuing checks to payees that can be located. For payees that cannot be located, the monies are turned over to the state's unclaimed property fund. Over $600 in outstanding check money was sent off last year to the Missouri State Treasurer's office. We are currently waiting on certified letters to come back and will be sending off the rest of the unclaimed money that is still in former inmate accounts. Once the letters are returned, that money will go to the Missouri State Treasurer's office.

5.4 We are currently refunding monies to inmates upon their release. As discussed in our response to 5.3, we are working to resolve unclaimed balances in former inmate accounts and sending all unclaimed funds to the state.

5.5 We are making a report that will tell how many e-cigarettes are sold each month. Corrections officers are now keeping track of how many e-cigarettes are ordered and on hand versus how many are sold to verify inventory, including damaged inventory.

5.6 We are currently working with the County Clerk's office to (1) set up an account with the DOR to pay the sales tax on e-cigarette sales, (2) determine what account that these fees will go through in the County Clerk's office, and (3) send in quarterly payments.

6. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected bad check restitution and fees, court-ordered restitution and fees, and delinquent tax fees totaling approximately $209,200 during the year ended December 31, 2017.

6.1 Bank reconciliations and liabilities

The Prosecuting Attorney's clerk did not prepare adequate bank reconciliations. In addition, a monthly list of liabilities is not prepared to reconcile to the account balance. The clerk's reconciliation process includes

documenting the transactions that have cleared the bank; however, a report of outstanding checks, deposits in transit, and other reconciling items is not prepared or reviewed. As of December 31, 2017, the bank balance was $26,489, which is less than the total outstanding checks of $26,946 documented in the Prosecuting Attorney's records. Thus, the account is showing a shortage of $457.

Performing adequate monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

6.2 Deposits

Receipts are not always deposited timely and prior to disbursement. Monies received from November 9 to November 14, 2017, totaling $6,771, were not deposited until November 22, 2017, and monies received from December 6 to December 8, 2017, totaling $516, were not deposited until December 18, 2017. In addition, monies are sometimes disbursed prior to deposit of the corresponding receipts. For example, the Prosecuting Attorney issued checks totaling $6,461 to victims on November 16, 2017, and $516 on December 8, 2017. The deposits of the corresponding receipts were not made until November 22, 2017, and December 18, 2017. Old outstanding checks (see section 6.3) prevented the bank account from being overdrawn.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made timely and monies should not be disbursed prior to deposit of corresponding receipts.

6.3 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks for the restitution account. As of December 31, 2017, 168 checks totaling $16,583 had been outstanding for over a year, with some checks dating back to 2003.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Recommendations

The Prosecuting Attorney:

6.1 Ensure adequate monthly bank reconciliations are prepared that include lists of outstanding checks, deposits in transit, and other reconciling items. In addition, prepare a list of liabilities and reconcile it to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

6.2 Ensure all monies are deposited timely and prior to related disbursements.

6.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

Auditee's Response

6.1 Additional procedures have been implemented in reconciling the bank statements. The account shortage has been corrected and brought current. Old checks that were not cashed were either submitted to the state treasury as unclaimed property or the payee was contacted and a new check issued. The monthly reconciliation is performed on the bank form as suggested. The Quicken accounting program has been added to account for all deposits and checks issued. This is an extra step to assure accuracy. A second reconciliation is performed using the Quicken program.

6.2 Deposits are taken to the bank a minimum of twice a week. Checks are not mailed out until deposit has been made.

6.3 Payees are contacted for current checks that are not being cashed in a timely manner. A new check is issued if it has been lost or if check is older than 2 months. A stop payment is placed on the old check with the bank. If a check is returned because of a bad address, it is researched to locate the possible most current address.

7. Wastewater Department's Controls and Procedures

Controls and procedures in the Wastewater Department need improvement. The department collects monies for wastewater permit fees, installer/contractor registration fees, and sales of tracing dye, and transmitted $44,785 to the County Treasurer during the year ended December 31, 2017.

7.1 Segregation of duties

The County Commission and Wastewater Supervisor have not adequately segregated accounting duties and do not perform documented supervisory reviews of detailed accounting and transmittal records. The Clerical Staff/Field Inspector/Nuisance Officer, the department's only clerical employee, receives, records, and transmits monies to the County Treasurer.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting

records are essential and should include comparing daily receipt activity to transmittals.

7.2 Receipting, recording, and transmitting

Procedures for receipting, recording, and transmitting monies are not adequate.

- The wastewater department does not issue receipt slips for all monies received, account for the numerical sequence of receipt slips, or restrictively endorse checks and money orders upon receipt. During a January 25, 2018, cash count we identified 10 checks, totaling $1,350, for permit application fees that were not receipted or restrictively endorsed. Department clerical staff indicated they only issue receipt slips for cash payments and upon customer request. The restrictive endorsement is applied by the County Treasurer following transmittal.

- Monies are not transmitted timely and intact. Department personnel indicated they hold receipts and do not transmit them to the County Treasurer for deposit until the related permit applications are approved. Our review of receipt and transmittal records for permit applications approved and permits issued in February 2017 identified a $150 check received for permit application number 6145 on December 19, 2016, had not been transmitted to the County Treasurer for deposit until after our inquiry in March 2018. This check was located in a folder along with the application. We also noted $150 in cash received on February 21, 2017, for permit number 6147 approved February 23, 2017, was not transmitted to the County Treasurer until March 9, 2017, while a $150 check received on February 24, 2017, for permit number 6149 approved February 28, 2017, was included in the March 3, 2017, transmittal.

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk that loss, theft, or misuse of monies received will go occur and go undetected.

Recommendations

The County Commission work with the Wastewater Supervisor to:

7.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting and transmittal records are performed.

7.2 Ensure prenumbered receipt slips are issued for all monies received, restrictively endorse checks and money orders upon receipt, and ensure receipts are transmitted intact and timely. In addition, the numerical sequence of receipt slips should be accounted for and the composition of receipts should be reconciled to the composition of transmittals.

Auditee's Response

7.1 Duties have now been segregated so that all transactions are performed by one individual and a documented review is done by a second individual.

7.2 All monies are now receipted into a 3-part prenumbered receipt book. A copy is issued to the customer, one kept in the application file, and one is kept with the transmittal. We now have a "For Deposit Only" stamp and all checks and money orders are stamped when received. All money is forwarded to the County Treasurer's office on a weekly basis, Fridays. Refunds must be requested through the purchase order process. It is then taken from the revenue line it was originally deposited into. We will also account for the numerical sequence of receipt slips issued and reconcile the composition of receipt to the composition of transmittals.

8. Planning and Zoning Department's Controls and Procedures

The Planning and Zoning department has not established proper controls or procedures for receipting and transmitting monies. The department collected permit, subdivision, and application fees, and other miscellaneous receipts totaling approximately $74,500 during the year ended December 31, 2017.

Our review of monies received during December 2017 identified various concerns.

- Monies are not transmitted to the County Treasurer intact or timely, and the department does not account for the numerical sequence of manual receipt slips. For example, $1,000 received on December 11 and 12, 2017, was held and not transmitted until January 1, 2018. This money was not transmitted although other money receipted from December 6 to December 13, 2017, totaling $2,025, was transmitted on December 18, 2017.

- Checks and money orders are not restrictively endorsed when received. The restrictive endorsement is applied by the County Treasurer following transmittal.

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk of loss, theft, or misuse of monies received will occur and go undetected.

Recommendation

The County Commission work with the Planning and Zoning department to ensure receipts are transmitted intact and timely, and checks and money orders are restrictively endorsed upon receipt. In addition, the department should account for the numerical sequence of receipt slips issued.

Auditee's Response

All money is now forwarded to the County Treasurer's office on a weekly basis, Fridays. We now have a "For Deposit Only" stamp and all checks and

money orders are stamped when received. We will also account for the numerical sequence of receipt slips issued.

9. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need improvement. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of 68 wards and estates during the year ending December 31, 2017.

9.1 Annual settlements

The Public Administrator does not always file annual settlements timely. We reviewed 8 active cases and determined 3 cases did not have annual settlements filed timely. These settlements were filed from 26 to 82 days after the due date. The Public Administrator records the due dates for the annual settlements in her case management software. In addition, the Circuit Court, Probate Division Clerk sends a notice to the Public Administrator when the annual settlement is due. Despite these procedures, annual settlements have been filed late.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that loss, theft, or misuse of funds will occur and go undetected.

9.2 Bank reconciliations

Public Administrator staff do not prepare bank reconciliations timely. They typically perform reconciliations as time allows. We reviewed 8 active cases, and noted 2 to 4 months of bank reconciliations were performed at one time for each ward. For example, one ward's bank reconciliations for the months of January through April 2017 were not completed until June 13, 2017. Performing bank reconciliations on a monthly basis helps ensure records are accurate and increases the likelihood errors will be identified and corrected timely.

Recommendations

The Public Administrator:

9.1 Ensure annual settlements are filed timely.

9.2 Perform bank reconciliations monthly. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

9.1 My office will work with the Probate Clerk and Judge to file our settlements in a more timely manner.

9.2 My office has changed our procedure of processing and reconciling our monthly bank statements to ensure they are done in a timely order.

10. County Clerk's Controls and Procedures

Controls and procedures in the County Clerk's office need improvement. The County Clerk's office collected approximately $96,300 for liquor licenses, notary fees, and other miscellaneous fees during the year ended December 31, 2017.

10.1 Segregation of duties

The County Clerk has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting records and transmittals. The Chief Deputy receives, records, and transmits monies for sunshine law and voter list requests, and two other deputies receive, record, and transmit monies for liquor and auctioneer licenses and notary and map fees. The County Clerk reviews and signs the main transmittal report for notaries, auctioneer, and map fees; however, he does not review detailed accounting records to ensure monies received for sunshine law and voter list requests and liquor licenses are properly recorded and transmitted to the County Treasurer.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals.

10.2 Receipting and transmitting

The County Clerk has not established proper procedures for receipting and transmitting monies.

- Receipt slips are not issued for all monies collected and a comprehensive log of receipts is not maintained. The County Clerk issues receipt slips for notary and map fees, and records receipts for sunshine law and voter list requests and auctioneer and liquor licenses on printed forms that are not numbered.

- The method of payment (cash or check) is not always indicated or accurately recorded on receipt records. During our January 25, 2018, cash count we noted 2 receipt slips totaling $6 did not indicate the method of payment and 2 checks totaling $53 were improperly recorded as cash.

- The County Clerk does not transmit all fees timely and intact to the County Treasurer. Liquor license receipts collected from September 20 to October 18, 2017, totaling $270 ($260 cash and $10 check), were still

on hand at the time of our cash count on January 25, 2018. These fees were transmitted to the County Treasurer on January 30, 2018.

Failure to implement adequate receipting and transmitting procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected. In addition, Section 51.280, RSMo, requires the clerk to prepare and issue all county licenses established by law, and collect the county fees therefor and remit the same to the county treasury.

Recommendations

The County Clerk:

10.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and transmittal records are performed and documented.

10.2 Issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and transmit receipts intact and timely. In addition, the numerical sequence of receipt slips should be accounted for and the composition of receipts should be reconciled to the composition of amounts transmitted.

Auditee's Response

10.1 Concerning liquor license receiving, a detailed spreadsheet has always been maintained. However, at the recommendation of the auditors, the receipt number has been added to the spreadsheet; and the County Clerk compares receipts to transmittals before approving for release to the County Treasurer.

10.2 At the recommendation of the auditors, new numbered receipt books (3 copy) are now being used to record all payments made and the method of payment, business name, and liquor license number is noted on each receipt slip. The clerk taking the payment signs the receipt slip and the County Clerk signs the license. The customer is given the white copy with their license. All payment information is added to the spreadsheet daily. At the end of each week, all checks and cash totals are matched to the spreadsheet and the yellow copy of the receipt slips are attached. The County Clerk signs and dates his verification of the spreadsheet which goes to the County Auditor and a copy goes to the County Treasurer with the money. A copy of the spreadsheet is kept with the pink copies of the receipts. New policies have been put into place to assure timely transmittal of funds.

11. Recorder of Deeds' Controls and Procedures

Controls and procedures in the Recorder of Deeds' office need improvement. The office collected approximately $763,000 for recording documents, such as marriage licenses and deeds, and other miscellaneous receipts during the year ended December 31, 2017.

11.1 Segregation of duties

The Recorder of Deeds has not adequately segregated accounting duties and does not perform a documented supervisory review of detailed accounting and bank records. The Chief Deputy is primarily responsible for receiving, recording, and depositing monies. The Recorder of Deeds does not review accounting records to ensure monies received are properly recorded and deposited.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to deposits.

11.2 Bank reconciliations

The Recorder of Deeds did not prepare adequate bank reconciliations for January through November 2017. The reconciliation process included documenting the deposit and disbursement transactions for the month and ensuring the total deposits equaled the total disbursements. However, lists of outstanding checks, deposits in transit, or other reconciling items were not prepared or reviewed.

Performing adequate monthly bank reconciliations helps ensure records are accurate and increases the likelihood errors will be identified.

11.3 Deposits

The Recorder of Deeds does not make deposits timely. For example, monies totaling $19,177 receipted from December 1 through 13, 2017, were deposited on December 14, 2017. In addition, monies totaling $10,408 receipted from December 14 to December 20, 2017, were deposited on December 21, 2017.

Failure to implement adequate depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

Recommendations

The Recorder of Deeds:

11.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.

11.2 Ensure adequate monthly bank reconciliations are prepared that include lists of outstanding checks, deposits in transit, and other reconciling items. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

11.3 Ensure monies received are deposited timely.

Auditee's Response

11.1 Effective June 18, 2019, I implemented written policies and procedures to segregate receipting and depositing duties. Also, there will be at least one additional employee performing documented reviews of detailed accounting and bank records.

11.2 During 2018, my office began using an accounting software program to prepare and generate monthly bank reconciliations which include lists of outstanding checks, deposits in transit, and other reconciling items. Any differences identified are promptly investigated and resolved. Effective June 18, 2019, I implemented written policies and procedures to ensure monthly bank reconciliations are reviewed by at least one additional employee and delivered to the County Auditor for review.

11.3 Effective June 18, 2019, I implemented written policies and procedures to ensure each day's receipts are deposited the next business day.

12. GIS Department's Controls and Procedures

Controls and procedures in the Geographic Information System (GIS) department need improvement. The department collected approximately $2,900 for printed and digital map fees during the year ended December 31, 2017.

12.1 Segregation of duties

The County Commission has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting records. The GIS Coordinator receives, records, and transmits monies to the County Treasurer. The County Commission does not review accounting records to ensure monies received have been properly recorded and transmitted.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals.

12.2 Receipting and recording

The GIS department has not established proper controls or procedures for receipting and recording monies.

- Prenumbered receipt slips are not issued for monies collected and the method of payment (cash or check) is not recorded. The GIS Coordinator creates invoices on her computer, manually assigns a number to each invoice, and uses these as receipt slips. During our review of invoices

created for year ended December 31, 2017, we noted the GIS Coordinator created 32 invoices of which 1 invoice number was used twice. In addition, we noted only 5 of 28 paid invoices identified the composition of the monies received.

- Checks and money orders are not restrictively endorsed when received. The restrictive endorsement is applied by the County Treasurer after transmittal.

Failure to implement adequate receipting and recording procedures increase the risk that loss, theft, or misuse of monies received will occur and go undetected.

Recommendations

The County Commission work with the GIS department to:

12.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting and transmittal records are performed.

12.2 Issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and restrictively endorse checks and money orders upon receipt. In addition, the numerical sequence of receipt slips should be accounted for and the composition of receipts should be reconciled to the composition of amounts transmitted.

Auditee's Response

The County Assessor provided the following responses:

12.1 &
12.2 On October 1, 2018, the GIS department began operations under the direction of the County Assessor's office. Upon meeting with the State Auditor's Office personnel on June 19, 2019, and discussing the recommendations, the following procedures will be implemented:

We have ordered new order/receipt forms containing sequential numbers, the fund account number for the GIS department, and space to record the date payment was received. The new forms will also contain information regarding the method of payment, whether it is in the form of check, money order, or cashier's check, as no cash will be received through this office. The GIS Coordinator will indicate when paid, the method of payment, initial the form, and endorse said check or money order immediately. A copy of the order/receipt form will be given to the customer at that time along with the product. The endorsed check will be taken to the County Treasurer's Office along with said order/receipt form on a daily basis, or when it is feasible. The County Treasurer's office will sign that payment was received

and keep the original order/receipt form; another copy will be kept by the GIS department containing signature of the County Treasurer.

The GIS Coordinator will further keep a detailed ledger of all transactions for any invoiced data, containing, but not limited to, the invoice/receipt number, date, method of payment, and the fund account number for the GIS department. On a monthly basis, the ledger will be reviewed by the County Assessor, then dated and signed once verified with the County Auditor's office. This monthly review will include accounting for the numerical sequence of the order/receipt forms and reconciling them to the transmittal records.

13. Senior Board's Depositing Procedures

The Senior Citizens' Services Tax Fund Board does not always deposit receipts timely. The Board received property taxes totaling approximately $888,080 during the year ended December 31, 2017.

During November 2017, the County Treasurer disbursed property taxes collected in October totaling $4,292 to the Board; however these monies were never deposited into the Board's bank account. At our request, the County Treasurer investigated this check and determined it remained outstanding as of March 21, 2018. The County Treasurer stopped payment on this check and reissued it. The Board's Treasurer indicated he had misplaced the check.

To safeguard receipts and reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are deposited timely.

Recommendation

The Senior Citizens' Services Tax Fund Board establish procedures to ensure all monies received are deposited timely.

Auditee's Response

The County Treasurer will email each Senior Citizens' Services Tax Fund Board member when a check is issued by the Treasurer for the Board. The checks will then be reconciled against the bank statement during each Board meeting. Furthermore, once the county is able to make direct deposits to the Board's bank account, the County Treasurer will continue to send an email to each Board member in the event of an electronic glitch when making a direct deposit to the Board's bank account to make certain no funds go astray.

Camden County
Organization and Statistical Information

Camden County is a county-organized, first-class county. The county seat is Camdenton.

Camden County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 291 full-time employees and 5 part-time employees on December 31, 2017.

In addition, county operations include the Senior Citizens' Services Tax Fund Board and the Senate Bill 40 Board.

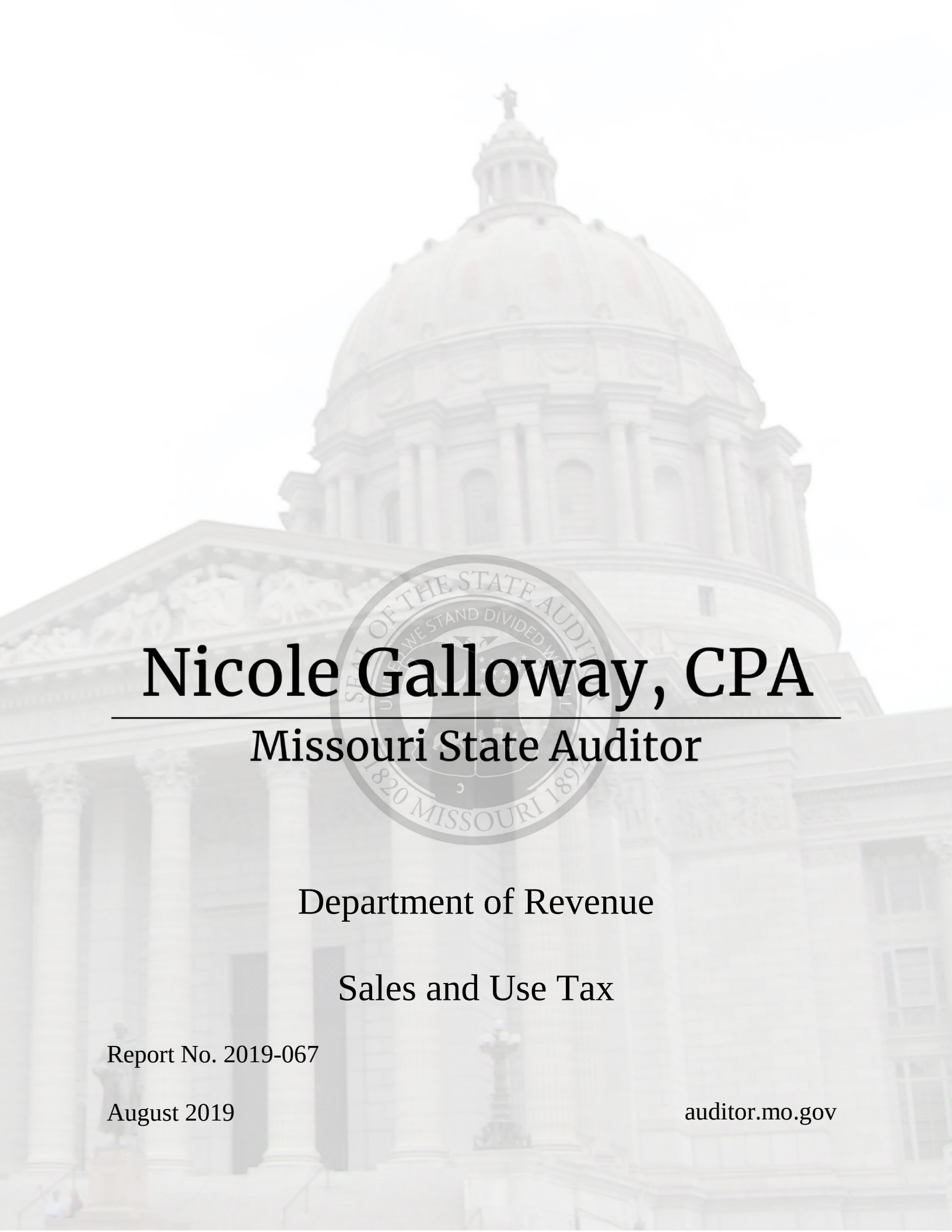
Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Greg Hasty, Presiding Commissioner	$	61,000
Beverly Thomas, Associate Commissioner		59,000
Don Williams, Associate Commissioner		59,000
Jimmy Laughlin, County Auditor (1)		32,813
Ronald Capps, County Auditor (1)		28,125
Donnie Snelling, Recorder of Deeds		61,000
Rowland A. Todd, County Clerk		61,000
Michael J. Gilley, Prosecuting Attorney		138,459
Tony Helms, Sheriff		64,000
Elaine Gilley, County Treasurer		61,000
Nancy A. Douglas, Public Administrator		61,000
Teresa Murray, County Collector (2), year ended February 28,	44,531	
Vicky Burns, County Collector (2), year ended February 28,	16,406	
Kayla Henry, County Assessor, year ended August 31,		61,002

(1) Ronald Capps resigned as County Auditor effective May 5, 2017. Jimmy Laughlin was appointed by the Governor and sworn into office on June 12, 2017.

(2) Vicky Burns resigned as County Collector effective May 31, 2017. Teresa Murray was appointed by the Governor and sworn into office on June 12, 2017.



Nicole Galloway, CPA

Missouri State Auditor

Department of Revenue

Sales and Use Tax

Report No. 2019-067

August 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Revenue Sales and Use Tax

Sales and use tax exemptions	The Department of Revenue (DOR) does not adequately capture and track information regarding some sales and use tax exemptions. According to DOR records, as of June 30, 2018, state law provided for 214 sales and use tax exemptions. The DOR only tracks the 3 percent state general revenue sales tax reduction on food sales, the textbook sales tax exemption, and the manufacturing sales tax exemption.
Timely sales and use tax discounts	State laws allowing retailers to retain a portion of sales and use taxes collected if they remit the taxes to the DOR timely result in the state and local governments forgoing significant revenues. Missouri's timely sales and use tax discount is the second most generous discount in the nation and significantly benefits the state's largest retailers. Changing state law to include a monthly cap on the amount of timely discount eligible to be retained would significantly increase state and local revenues. The DOR is not required to report, and does not routinely report the amount of timely discounts retained by businesses to the General Assembly, local governments impacted, or the general public.
Internet Sales	The General Assembly has not passed legislation to allow Missouri to charge tax on online purchases made from out-of-state sellers or to participate in the Streamlined Sales and Use Tax Agreement (SSUTA), costing the state millions in potential sales tax revenue. With the increasing popularity and usage of online shopping, e-commerce sales have grown significantly in recent years. The SSUTA, adopted in November 2002, is a cooperative effort among states, local governments, and businesses to simplify and make more uniform the sales and use tax collection and administration for retailers and states. Bills introduced in Missouri during the 2019 legislative session to expand the collection of taxes on internet sales failed to become law.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Revenue
Sales and Use Tax
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Kenneth J. Zellers, Acting Director
Department of Revenue
Jefferson City, Missouri

We have audited certain operations of the Department of Revenue, sales and use tax collections, as required by Section 32.087, RSMo, and in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.

2. Evaluate the department's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

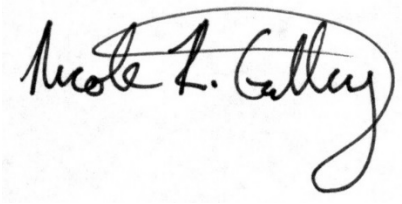
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; analysis of comparative data obtained from internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Due to the nature of this report, and due to the findings being legislative in nature, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in the Management Advisory Report. The views of responsible Department of Revenue officials were obtained and included where appropriate.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Revenue, sales and use tax collections.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Shelbi M. Becker
Audit Staff:	Nicole Cash, MBA, CGAP
	Benjamin S. Prevallet

Department of Revenue
Sales and Use Tax
Introduction

Background

The state's sales tax is imposed on the purchase price of tangible personal property or taxable service sold at retail. Use tax is imposed on the storage, use, or consumption of tangible personal property in this state. Cities and counties may impose a local sales and use tax. Special taxing districts (such as fire districts) may also impose additional sales taxes. State and local sales and use taxes are collected by the Department of Revenue (DOR). The DOR then distributes the local sales and use taxes to the cities, counties, and districts.

Sales and use tax receipts collected from businesses and motor vehicle sales tax receipts collected from businesses and individuals are deposited into various state and local funds. Marine and ATV sales and use tax collections are deposited into the same funds as state sales and use tax. Motor vehicle leasing sales tax collections are deposited into the same funds as motor vehicle sales tax.

For operating purposes, the DOR has been charged with the responsibility of administering transactions in the following funds and accounts.

State Funds

The State Treasurer, as fund custodian, and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly for all state funds.

General Revenue Fund: This fund, authorized by Section 144.700, RSMo, receives collections from a general 3 percent state sales and use tax. State sales tax is collected pursuant to Section 144.020, RSMo, and state use tax is collected pursuant to Section 144.610, RSMo. Retail sales of food are not subject to the 3 percent tax as provided by Section 144.014, RSMo. This fund also receives payments from common carriers in interstate air transportation, as authorized by Section 144.807, RSMo. In addition, the General Revenue Fund pays all motor vehicle sales tax refunds and receives motor vehicle sales tax collections as reimbursement from other state funds for their applicable share of the refunds.

Aviation Trust Fund: This fund, authorized by Section 144.805, RSMo, receives collection from a sales and use tax on aviation jet fuel from common carriers. These taxes are paid as a result of exemptions to General Revenue sales tax. The exemptions are a result of direct-pay agreements between common carriers and the DOR.

Conservation Commission Fund: This fund, authorized by Section 254.020, RSMo, receives collections of the 0.125 percent state sales and use tax, motor vehicle sales tax, and highway use tax provided for in Article IV, Section 43(a), Missouri Constitution.

State Highways and Transportation Department Fund: This fund received 75 percent of the collections from the 4 percent highway use tax during fiscal years 2013 and 2012. Effective July 5, 2013, the highway use tax was repealed and all motor vehicle transactions are now assessed a sales tax as authorized by Section 144.020, RSMo, which goes into the State Road Fund and the State Road Bond Fund. This fund continues to receive some residual highway use tax collections.

Parks Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

School District Trust Fund: This fund, authorized by Section 144.701, RSMo, receives collections from a 1 percent state sales and use tax pursuant to Section 144.701, RSMo. Retail sales of food are subject to a 1 percent tax to be deposited into this fund as provided by Section 144.014, RSMo. In addition, this fund receives 12.5 percent of collections from the 4 percent motor vehicle sales tax pursuant to Article IV, Section 30(b)2, Missouri Constitution.

Soil and Water Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

State Road Bond Fund: This fund, authorized by Article IV, Section 30(b), Missouri Constitution (Amendment 3), receives 37.5 percent of the collections from the 4 percent motor vehicle sales tax.

State Road Fund and State Transportation Fund: These funds, authorized by Article IV, Section 30(b), Missouri Constitution, receive 37.5 percent of the collections from the 4 percent motor vehicle sales tax, which is deposited 36.5 percent to the State Road Fund and 1 percent to the State Transportation Fund.

Local Funds

Actual tax proceeds for local funds are deposited into interest-bearing bank accounts until distributed. Subsequently 99 percent of the collections and earned interest are distributed to the various political subdivisions with the remaining 1 percent going to the General Revenue Fund for a collection fee, except for the Local Fuel Tax and Bond Trust Fund, which has no collection fee withheld from distributions to the fund. The DOR has sole responsibility for maintaining and disbursing fund resources for all local funds.

Local Fuel Tax and Bond Trust Fund: This fund, authorized by Article IV, Section 30(b), Missouri Constitution, receives 12.5 percent of the collections from the 4 percent motor vehicle sales tax. In addition, this fund receives collections from the motor fuel tax authorized by Section 142.803, RSMo.

Local Sales and Use Tax Trust Fund: This fund receives collections generated from local sales taxes imposed by local political subdivisions, as authorized by Chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and 644, RSMo. In addition, this fund receives collections generated by a use tax, authorized by Section 144.757, RSMo, based on the local sales tax in effect, upon all transactions subject to taxes imposed under Sections 144.600 to 144.745, RSMo, except as otherwise provided. Net taxes and interest are subsequently distributed to the counties and cities.

Custodial Accounts

The DOR has been charged with the responsibility of administering transactions in the custodial accounts. Except for the Protested Sales Tax General Revenue Account and Sales Tax Bond Account held by the State Treasurer, actual custody of the resources in the accounts rests with the DOR. Collections for the custodial accounts held by the DOR are deposited in interest-bearing bank accounts.

Compliance Clearing Account: This account receives tax payments from taxpayer audits. The DOR holds these payments in this account pending final audit review. Depending on the results of the audit review, the DOR transfers the tax payment to the appropriate state and local funds or issues a refund to the taxpayer.

Motor Vehicle Clearing Account: This account receives collections from motor vehicle agent offices and the central office for various taxes and fees. These receipts are subsequently transferred to various state and local funds.

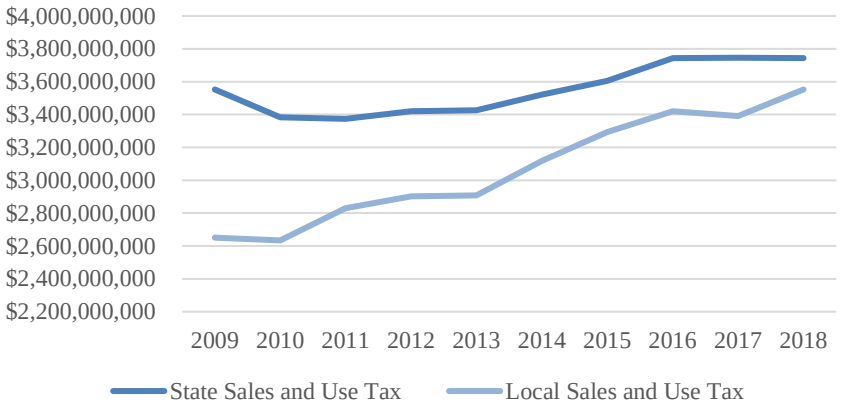
Protested Sales Tax General Revenue Account: This account receives the 4.225 percent state portion of sales taxes paid under protest. These payments are deposited in the General Revenue Fund and reported by the DOR in this account.

Sales Tax Bond Account: The DOR receives cash bonds posted by taxpayers as authorized by Section 144.087, RSMo. All bond collections are deposited in the General Revenue Fund and reported by the DOR in this account. Cash bonds and related interest are to be refunded to the taxpayer after 1 year if the taxpayer is determined to have satisfactory tax compliance and if the bond was posted before January 1, 1984. If the bond was posted on or after January 1, 1984, the Attorney General has determined that no interest should be refunded. In the event of uncollectible sales tax liabilities, the bonds and related interest, if any, are forfeited to the DOR. The department subsequently distributes the monies to the state and the appropriate political subdivisions.

Historical sales and use tax trends and information

As shown in Figure 1, when adjusted for inflation, state and local sales and use tax collections have increased for most years between fiscal year 2009 and fiscal year 2018. Adjusted state sales and use tax collections increased from $3.55 billion to $3.74 billion (5 percent), while adjusted local sales and use tax collections increased from $2.65 billion to $3.55 billion (34 percent) during this time period.

Figure 1: State and local sales and use tax collections, 2009-2018, by fiscal year, adjusted for inflation

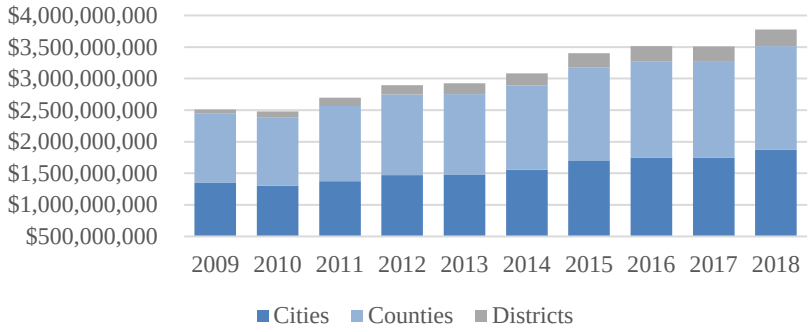


Source: DOR records, SAO analysis of Consumer Price Index data from <https://fred.stlouisfed.org/series/CPIAUCSL>, and Appendix G.

The state sales and use tax rate has remained at 4.225 percent during these 10 years. In comparison, local sales and use tax rates imposed by local political subdivisions are continuously changing as local taxing jurisdictions impose new tax rates and others expire. In addition, the increasing number of districts has contributed to the total increase in local sales tax collections. The total number of districts increased from approximately 170 in fiscal year 2009 to approximately 620 in fiscal year 2018 (265 percent).

Local sales and use tax collections are distributed by the DOR to cities, counties, and districts. As shown above in Figure 1, and as further illustrated in Figure 2, local sales and use tax collections and subsequent distributions have increased for most years between fiscal year 2009 and fiscal year 2018.[1]

Figure 2: Local sales and use tax distributions by political subdivision type, 2009-2018, by fiscal year



Source: Appendix H

[1] For more detail on local sales and use tax distribution amounts, see Appendix H.

1. Ongoing Sales and Use Tax Issues

Several previous audit reports[2] have included concerns and recommendations relating to sales and use tax exemptions, timely sales and use tax discounts, and internet sales. These sales and use tax issues continue to be ongoing concerns.

1.1 Sales and use tax exemptions

The Department of Revenue (DOR) does not adequately capture and track information regarding some sales and use tax exemptions. As a result, the fiscal impact of each exemption and the cumulative fiscal impact of all exemptions on state and local revenues cannot be determined.

According to DOR records, as of June 30, 2018, state law provided for 214 sales and use tax exemptions. The DOR only tracks the 3 percent state general revenue sales tax reduction on food sales, the textbook sales tax exemption, and the manufacturing sales tax exemption.

Vendors remit monthly, quarterly, or annual sales and use tax returns to the DOR. The returns include gross sales receipts, adjustments to gross sales receipts, and taxable sales. The adjustment amounts include, but are not limited to, exempt sales for the period of the sales tax return (filing period), and corrections of errors from previous filing periods.

The DOR has responded in previous audits[2] that reporting exemptions would substantially increase the burden on businesses and based on prior attempts to track limited exemptions, the data collected is likely to be highly inaccurate due to reporting errors by businesses. However, by not requiring businesses to track these adjustments, the DOR is unable to determine the cost of the various sales tax exemptions. Without this information the legislature cannot make informed decisions regarding the effectiveness and cost of the various exemptions.

1.2 Timely sales and use tax discounts

State laws allowing retailers to retain a portion of sales and use taxes collected if they remit the taxes to the DOR timely result in the state and local governments forgoing significant revenues. Missouri's timely sales and use tax discount is among the most generous such discounts in the nation, and significantly benefits the state's largest retailers. In addition, the DOR does not routinely report to the General Assembly (GA) the amount of timely sales and use tax discounts retained by businesses.

Generous discounts

Missouri's timely sales and use tax discount is the second most generous discount in the nation.[3] Sections 144.140 and 144.710, RSMo, allow

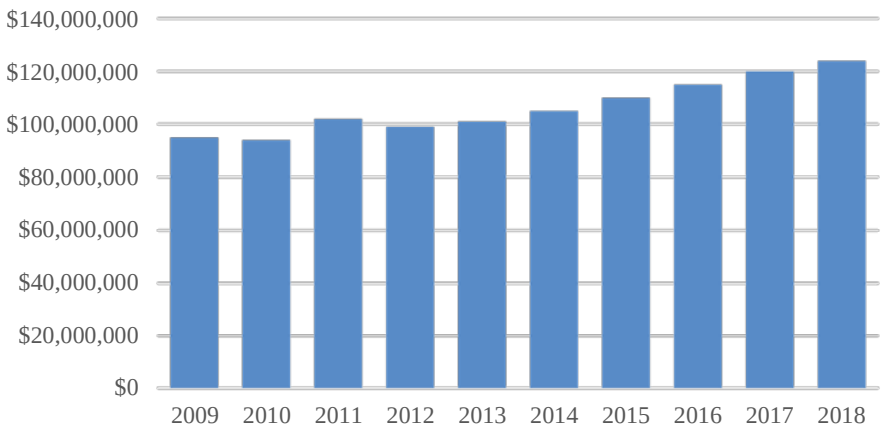
[2] Report No. 2017-113, *Cost of Tax Incentives and Exemptions*, issued in October 2017; Report No. 2015-080, *Sales and Use Tax*, issued in September 2015; and Report No. 2013-015, *Sales and Use Tax*, issued in February 2013.

[3] Colorado's uncapped discount of 3.33 percent is the most generous.

businesses remitting sales and use taxes to retain 2 percent of taxes payable to the DOR if the business remits payments in a timely manner.[4] The amount of the discount is not capped.

As shown in Figure 3, the amount of sales and use tax revenues foregone as a result of the timely discount retained has increased relatively steadily from fiscal year 2009 to fiscal year 2018. State and local sales tax revenues of approximately $120 million and $124 million were collected from purchasers, but retained as discounts by businesses remitting sales and use taxes in fiscal years 2017 and 2018, respectively.

Figure 3: Timely discount totals, 2009-2018, by fiscal year



Source: DOR records

In fiscal year 2018, sales and use taxes comprised approximately 20 percent of the state's general revenue. With sales and use tax revenues being used to fund significant portions of state and local government budgets, such large discounts are significant.

According to the Federation of Tax Administrators,[5] 27 other states offer similar vendor discounts; however, 16 of the state's offering discounts have established ceilings to limit the amount of discount and/or compensation retained by businesses. In addition, 10 of the remaining 11 states either have a lower discount rate than Missouri or only apply the highest discount rate to

[4] Per Section 144.080, RSMo, if filing annually applicable taxes are due by January 31 of the following year, if filing quarterly applicable taxes are due the last day of the month following the completed quarter, and if filing monthly applicable taxes are due the 20th of the following month. Per Section 144.081, RSMo, if filing quarter-monthly applicable taxes are due within 3 business days following the completed quarter-monthly period.

[5] "State Sales Tax Rates and Vendor Discounts (January 1, 2019)," <https://www.taxadmin.org/assets/docs/Research/Rates/vendors.pdf>, accessed on July 10, 2019.

a limited dollar amount of sales tax collected (e.g., the first $3,000, then a lower rate applies).

Cap on discount would result in increased revenue

Changing state law to include a monthly cap on the amount of timely discount eligible to be retained would significantly increase state and local revenues. For example, as reported in our audit of state tax incentives and exemptions,[6] applying Oklahoma's cap of $2,500 per month (the largest cap of contiguous states) to Missouri would have resulted in approximately $52 million in additional state and local sales tax revenue in fiscal year 2016.

Cap on discount would only impact the state's largest retailers

As further discussed in the audit of state tax incentives and exemptions, a monthly timely discount cap similar to Oklahoma's would not affect the majority of sales tax filers. Based on the state's average sales tax rate of 7.86 percent,[7] only businesses with monthly taxable sales of approximately $1.6 million would have their timely discount capped. Retailers with less than $1.6 million in monthly taxable sales would continue to receive the full 2 percent timely discount. In fiscal year 2016, the 50 largest sales tax collecting businesses retained approximately 72 percent of timely discounts exceeding $2,500, with the single largest sales tax collecting business receiving $10 million in discounts.

The timely sales tax discount was established for businesses to recover a portion of their costs for compliance with state sales tax laws and to encourage timely remittance of sales and use taxes. With increased use of electronic systems to calculate and remit sales tax collections, it is not clear if the continued use of such a discount is necessary to achieve these objectives.[8] The current law allowing uncapped timely discounts results in the state and local governments providing a sizable subsidy to the largest retailers in the state, and is more generous than all but one other state. Implementing a cap on timely discounts would result in additional revenues to the state and local governments without increasing taxes on consumers.

Amounts of timely discounts are not routinely reported

The DOR is not required to report, and does not routinely report the amount of timely discounts retained by businesses to the GA, local governments impacted, or the general public. DOR officials have stated this data is provided upon request. However, this information could be useful to the GA when making various budget decisions and ensuring the state and local policymakers and the general public are informed of the continuous cost of these discounts.

[6] Report No. 2017-113, *Cost of Tax Incentives and Exemptions*, issued in October 2017.

[7] Scott Drenkard and Nicole Kaeding, "State and Local Sales Tax Rates in 2016," <https://taxfoundation.org/state-and-local-sales-tax-rates-2016/>, (March 2016), accessed on June 7, 2017. Calculation regarding the estimated monthly taxable sales was based on this estimated average sales tax rate.

[8] "Timely Filing Discount Costs Missourians Millions," <http://www.mobudget.org/timely-filing-discount/>, (October 2016), accessed on September 18, 2017.

1.3 Internet sales

The GA has not passed legislation to allow Missouri to charge tax on online purchases made from out-of-state sellers or to participate in the Streamlined Sales and Use Tax Agreement (SSUTA), costing the state millions in potential sales tax revenue.

State law currently requires Missouri businesses to collect use tax on online sales only if the business has a physical presence in the state. On June 21, 2018, the United States Supreme Court ruled in *South Dakota v. Wayfair, Inc.*, 585 U.S. (2018), that states may charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. This decision overturned *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), which restricted state taxation of interstate commerce.

Online sales increasing

With the increasing popularity and usage of online shopping, e-commerce sales have grown significantly in recent years. As reported in our audit of state tax incentives and exemptions, estimates from the U.S. Census Bureau[9] show e-commerce sales for the first quarter 2017 now account for approximately $100 billion of $1.25 trillion in total retail sales (approximately 8 percent), up from approximately $36 billion in the second quarter 2008. Several studies[10], [11] have estimated the state is forgoing sales tax revenues in the hundreds of millions of dollars by not consistently collecting sales tax revenue on out of state internet sales. These studies also noted local vendors face a competitive disadvantage because consumers who make purchases online avoid paying sales/use taxes.

Streamlined Sales and Use Tax Agreement

The SSUTA, adopted in November 2002, is a cooperative effort among states, local governments, and businesses to simplify and make more uniform the sales and use tax collection and administration for retailers and states. The SSUTA aims to minimize costs and administrative burdens on retailers that collect sales tax, while also encouraging out-of-state sellers to collect tax on sales to customers in member states. Forty-four states, including Missouri, participated in the Streamline Sales Tax project. However, only 24 of these states (member states) have enacted legislation to conform to at least part of the SSUTA, which allows them to collect sales taxes from vendors in other states.

[9] U.S. Department of Commerce, "Quarterly Retail E-Commerce Sales 1st Quarter 2017," <https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf>, accessed on June 5, 2017.

[10] Bruce, Donald, William F. Fox, LeAnn Luna, "State and Local Government Sales Tax Revenue Losses from Electronic Commerce," University of Tennessee, Center for Business and Economic Research, <http://cber.bus.utk.edu/ecomm.htm>, accessed on May 31, 2017.

[11] Ying Huang, John Kosash, and Andrew Wesemann. (2012). "Internet Sales and Use Tax Issues in Missouri" Report 04-2012. University of Missouri Columbia, Institute of Public Policy, <https://ipp.missouri.edu/publications/internet-sales-and-use-tax-issues-in-missouri/>, accessed June 14, 2017.

State legislation

Bills introduced during the state's 2019 legislative session to expand the collection of taxes on internet sales failed to become law. The state will forgo significant revenue from online sales, if future attempts to pass similar legislation remain unsuccessful.

Recommendations

The General Assembly:

1.1 Consider changes to current state laws to require the DOR begin tracking exemption information so the reductions of state revenue related to each exemption can be quantified and reported to the General Assembly.

1.2 Evaluate the necessity of a timely sales tax discount. If such a discount is deemed necessary, consider the implementation of a monthly cap on the amount of discount retained, and also consider changes to current state laws to require the DOR annually report the reduction of state revenue related to the timely discount to the General Assembly, applicable political subdivisions, and to the general public.

1.3 Evaluate the impact of the *South Dakota v. Wayfair, Inc.* decision and continue to pursue legislation to collect taxes from out-of-state sellers.

Auditee's Response

Due to these recommendations being legislative in nature, no management response can be obtained. While the recommendations are not addressed to the DOR, department officials provided a written response. That response is included at Appendix A.

Department of Revenue
Sales and Use Tax
Organization and Statistical Information

The Department of Revenue (DOR) was created by Article IV, Section 12, Missouri Constitution as the central collection agency for state revenues. The Director of Revenue is appointed by the Governor, with the advice and consent of the Senate, and is responsible for all operations and policies. DOR responsibilities include:

1) Administering and collecting state taxes and fees, including sales and use tax, motor vehicle sales tax, and highway use tax.
2) Collecting certain taxes and fees for local governments, including local sales and use tax.
3) Titling and licensing motor vehicles, trailers, and boats.
4) Licensing motor vehicle operators.

The DOR consists of 3 divisions, the General Counsel's office, and the Director's office.

Motor Vehicle and Driver Licensing Division: This division collects motor vehicle sales and use taxes and consists of 3 bureaus. (1) The Motor Vehicle Bureau issues titles and registers motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft. The bureau also issues registration certificates to motor vehicle and salvage dealers and leasing companies. (2) The Driver License Bureau issues, renews, suspends, revokes, and reinstates driver and nondriver licenses and driving permits. The bureau processes and maintains records relating to license issuance, traffic violation point assessments, failure to appear in court for traffic violations, and administers the alcohol and abuse laws for alcohol/drug offenders. (3) The License Offices Bureau manages the operations of the contract license offices throughout the state. These local offices provide driver licensing and motor vehicle services and are operated by individuals or businesses approved through the state of Missouri bid process.

Taxation Division: This division consists of 4 bureaus that collect taxes and administer state tax law. (1) The Business Tax Bureau administers sales and use, financial institutions, insurance premiums, franchise, excise, cigarette and other tobacco products, motor fuel, corporate income, withholding, and county taxes and fees. (2) The Personal Tax Bureau administers individual income, partnership, fiduciary, and estate taxes. (3) The Collections and Tax Assistance Bureau provides tax assistance to individuals and businesses and performs appropriate procedures for unpaid tax liabilities. (4) The Field Compliance Bureau audits businesses both in-state and out-of-state to ensure compliance with Missouri's tax laws.

Administration Division: This division provides administrative support to all other areas of the DOR and consists of 2 bureaus. (1) The Human Resources and Total Rewards Bureau is responsible for the DOR's personnel matters, process improvements, and training. (2) The Financial and General Services

Bureau is responsible for all accounting, procurement, banking, and general service matters. This bureau is also responsible for coordinating space and location needs, telecommunications, safety issues, maintenance, and improvement of the work environment within the DOR.

General Counsel's Office: This office ensures the DOR's compliance with law and internal policies, advises the director and divisions on legal matters relative to the DOR, and represents the DOR in courts and administrative tribunals. This office also consists of 2 investigation bureaus. (1) The Criminal Tax Investigation Bureau investigates and develops information leading to local prosecution of individuals and businesses suspected of violating state statutes related to sales, withholding, and income tax. (2) The Compliance and Investigation Bureau conducts investigations involving allegations of fraud relating to motor vehicle sales tax, titling and registration, odometer, and motor fuel sales tax as well as cigarette tax fraud, driver's license fraud and license plate fraud. The bureau also ensures the compliance of motor vehicle dealers, salvage businesses, and marine dealers with statutes and licensure regulations. In addition to external investigations, the bureau conducts internal audits and investigations of the DOR and contract license offices.

Director's Office: This office includes the Director, Chief Operating Officer, and key administrative staff responsible for the overall guidance and direction of the DOR. The office also includes the Public Information Office, the Legislative Office, and the Communications Office. The Public Information Office develops and maintains positive media and public relations for the DOR. The Legislative Office serves as the DOR's liaison to the General Assembly. The office provides technical assistance, develops fiscal and revenue estimates on proposed legislation, and monitors the progress of bills through the Legislature. The Communications Office develops and maintains department forms, policies, and procedures. The office also maintains the public and internal website, as well as manages the DOR's social media accounts.

Joel W. Walters served as Director of Revenue from April 2017 through March 22, 2019. On March 22, 2019, Kenneth J. Zellers was appointed as Acting Director of Revenue.

MICHAEL L. PARSON
GOVERNOR

KENNETH J. ZELLERS
ACTING DIRECTOR OF REVENUE
CHIEF OPERATING OFFICER

MISSOURI DEPARTMENT OF REVENUE
POST OFFICE BOX 311
JEFFERSON CITY, MISSOURI 65105-0311
PHONE: (573) 751-5671
FAX: (573) 751-7150
WEBSITE: www.dor.mo.gov
E-MAIL: dormail@dor.mo.gov

August 1, 2019

Robyn Vogt, CPA
Audit Manager
Missouri State Auditor's Office
HSTOB, Room 880
Jefferson City, MO 65 102

Dear Robyn:

The Department of Revenue acknowledges the recommendations of the Missouri State Auditor's report on Sales and Use Tax Collections Audit.

Recommendation 1.1 — The General Assembly consider changes to current state laws to require the DOR begin tracking exemption information so the reductions of state revenue related to each exemption can be quantified and reported to the General Assembly.

Recommendation 1.2 — The General Assembly evaluate the necessity of a timely sales tax discount. If such a discount is deemed necessary, consider the implementation of a monthly cap on the amount of discount retained, and also consider changes to current state laws to require the DOR annually report the reduction of state revenue related to the timely discount to the General Assembly, applicable political subdivisions, and to the general public.

Recommendation 1.3 — The General Assembly evaluate the impact of the South Dakota v. Wayfair, Inc. decision and continue to pursue legislation to collect taxes from out-of-state sellers.

DOR Response — If the General Assembly passes legislation that requires action, the Department of Revenue will incorporate those provisions into our processes and comply with any state laws regarding these recommendations.

If you have any questions, please contact me at 751-7429, or Lynn.Bexten@dor.mo.gov.

Sincerely,

Ken Zellers

Ken Zellers

LB/

c: Lynn Bexten, Joel Allison, Maria Sanders, Spencer Bartlett, Mark Godfrey, Esta Zaring

Appendix B

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2018

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Marine/ATV/Manufactured sales and use tax	$ 8,303,302	0	341,634	0	136,653	2,732,542	136,655	0	0	0	11,650,786
Motor vehicle sales and use tax	3,630,331	0	14,201,414	11,314	5,680,572	56,805,239	5,680,574	170,415,716	165,873,949	4,544,419	426,843,528
Sales and use tax	2,185,240,405	6,543,872	105,221,461	0	42,092,061	837,599,435	42,091,966	12,354,838	12,024,946	329,288	3,243,498,272
Total Receipts	2,197,174,038	6,543,872	119,764,509	11,314	47,909,286	897,137,216	47,909,195	182,770,554	177,898,895	4,873,707	3,681,992,586
DISTRIBUTIONS											
Transmitted to State Treasurer	2,197,174,038	6,543,872	119,764,509	11,314	47,909,286	897,137,216	47,909,195	182,770,554	177,898,895	4,873,707	3,681,992,586
Total Distributions	2,197,174,038	6,543,872	119,764,509	11,314	47,909,286	897,137,216	47,909,195	182,770,554	177,898,895	4,873,707	3,681,992,586
RECEIPTS OVER (UNDER) DISTRIBUTIONS	$ 0	0	0	0	0	0	0	0	0	0	0

Appendix C

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds
Year Ended June 30, 2018

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	$ 220,694,772	0	220,694,772
Sales tax	56,805,238	3,397,376,943	3,454,182,181
Use tax	885	154,837,128	154,838,013
Miscellaneous tax	0	19,329,062	19,329,062
Protested tax	0	51,242	51,242
Motor fuel bond	1,500	0	1,500
Motor fuel pool bond	8,107	0	8,107
Interest income	114,695	2,964,542	3,079,237
Total Receipts	277,625,197	3,574,558,917	3,852,184,114
DISTRIBUTIONS			
Political subdivisions	276,867,874	3,495,884,579	3,772,752,453
General Revenue Fund	0	33,892,561	33,892,561
Total Distributions	276,867,874	3,529,777,140	3,806,645,014
RECEIPTS OVER (UNDER) DISTRIBUTIONS	757,323	44,781,777	45,539,100
CASH AND INVESTMENTS, JULY 1	25,560,645	432,574,436	458,135,081
CASH AND INVESTMENTS, JUNE 30	$ 26,317,968	477,356,213	503,674,181

Appendix D

Department of Revenue
Sales and Use Tax
Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts
Year Ended June 30, 2018

	Compliance Clearing Account[1]	Motor Vehicle Clearing Account[1]	Protested Sales Tax General Revenue Account[2]	Sales Tax Bond Account[2]	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	$ 7,860,655	1,125,106,986	0	0	1,132,967,641
Protested tax collections	0	0	38,130	0	38,130
Bond collections	0	0	0	4,879,530	4,879,530
Interest income	11,277	207,264	2,327	0	220,868
Total Additions	7,871,932	1,125,314,250	40,457	4,879,530	1,138,106,169
DEDUCTIONS					
Miscellaneous taxes and interest	10,738,160	1,122,480,855	0	0	1,133,219,015
Protested taxes and interest	0	0	38,822	0	38,822
Bonds and interest	0	0	0	3,950,518	3,950,518
Total Deductions	10,738,160	1,122,480,855	38,822	3,950,518	1,137,208,355
ADDITIONS OVER (UNDER) DEDUCTIONS	(2,866,228)	2,833,395	1,635	929,012	897,814
CASH AND INVESTMENTS, JULY 1[3]	3,933,313	24,124,539	1,932,381	25,977,802	55,968,035
CASH AND INVESTMENTS, JUNE 30	$ 1,067,085	26,957,934	1,934,016	26,906,814	56,865,849

[1] Held by the department in trust.

[2] Held by the State Treasurer in trust.

[3] The July 1 balance has been restated for the Protested Sales Tax General Revenue Account.

Appendix E

Department of Revenue
Sales and Use Tax
Combined Statement of Distributions - Local Funds
Year Ended June 30, 2018

	Local Fuel Tax and Bond Trust Fund	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	St. Louis Capital Improvements Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Total (Memorandum Only)
Cities[1]	$ 159,304,125	637,400,775	665,057,271	24,139,168	278,107,907	106,416,914	0	0	0	1,870,426,160
Counties[1]	117,563,748	0	0	0	220,932,322	44,758,279	486,716,191	775,802,624	0	1,645,773,164
Districts[1]:										
Ambulance Districts	0	0	0	0	0	0	0	0	57,517,087	57,517,087
Emergency Service Districts	0	0	0	0	0	0	0	0	14,829,750	14,829,750
Fire Protection Districts	0	0	0	0	0	0	0	0	19,333,947	19,333,947
Hospital Districts	0	0	0	0	0	0	0	0	369,693	369,693
Public Library Districts	0	0	0	0	0	0	0	0	1,520,400	1,520,400
Regional Jail Districts	0	0	0	0	0	0	0	0	1,079,528	1,079,528
Regional Recreation Districts	0	0	0	0	0	0	0	0	13,888	13,888
Tourism Community Districts	0	0	0	0	0	0	0	0	8,359,606	8,359,606
Zoological Districts	0	0	0	0	0	0	0	0	17,862,598	17,862,598
Transportation Development Districts	0	0	0	0	0	0	0	0	78,091,563	78,091,563
Community Improvement Districts[2]	0	0	0	0	0	926,951	0	0	61,868,619	62,795,570
Port Improvement Districts	0	0	0	0	0	2,322	0	0	275,759	278,081
TOTAL	$ 276,867,873	637,400,775	665,057,271	24,139,168	499,040,229	152,104,466	486,716,191	775,802,624	261,122,438	3,778,251,035

[1] Local sales and use tax distributions by political subdivision are available in the Department of Revenue's annual Financial and Statistical Report. However, the Department of Revenue does not report distributions for political subdivisions with less than 6 taxpayers. For this schedule, all local sales and use tax distributions have been included in the amounts reported. The Department of Revenue's annual Financial and Statistical Report is accessible through the Department of Revenue's website at http://www.dor.mo.gov.

[2] In fiscal year 2018, the Department of Revenue combined Community Development Districts with Community Improvement Districts.

Appendix F

Department of Revenue
Sales and Use Tax
Comparative Statement of State and Local Sales and Use Tax Collections

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
State Sales and Use Tax	$ 3,061,095,719	2,951,026,637	3,007,369,328	3,131,793,823	3,192,624,294	3,331,915,714	3,430,314,960	3,588,844,184	3,659,746,431	3,742,345,985
Local Sales and Use Tax	2,284,307,264	2,298,017,458	2,522,963,128	2,657,636,085	2,710,095,629	2,950,216,388	3,134,151,262	3,277,995,153	3,312,491,891	3,552,265,312
TOTAL COLLECTIONS	$ 5,345,402,983	5,249,044,095	5,530,332,456	5,789,429,908	5,902,719,923	6,282,132,102	6,564,466,222	6,866,839,337	6,972,238,322	7,294,611,297

Appendix G

Department of Revenue
Sales and Use Tax

Comparative Statement of State and Local Sales and Use Tax Collections - Adjusted for Inflation

	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
State Sales and Use Tax	$ 3,552,879,375	3,382,350,013	3,373,713,182	3,419,081,441	3,426,413,597	3,520,842,151	3,604,450,881	3,743,786,486	3,745,584,604	3,742,345,985
Local Sales and Use Tax	2,651,295,128	2,633,896,720	2,830,298,854	2,901,427,976	2,908,550,352	3,117,499,692	3,293,252,779	3,419,517,072	3,390,185,320	3,552,265,312
TOTAL COLLECTIONS	$ 6,204,174,503	6,016,246,733	6,204,012,036	6,320,509,417	6,334,963,949	6,638,341,843	6,897,703,660	7,163,303,558	7,135,769,924	7,294,611,297

Appendix H

Department of Revenue
Sales and Use Tax
Comparative Statement of Distributions - Local Funds

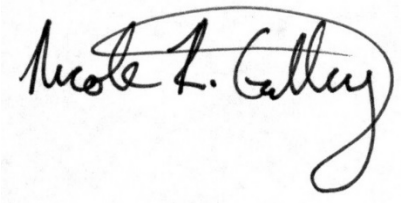
	Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cities[1]	$ 1,352,429,722	1,302,336,515	1,375,434,603	1,472,512,205	1,479,663,181	1,556,763,139	1,702,603,661	1,751,813,928	1,743,115,737	1,870,426,160
Counties[1]	1,090,219,625	1,084,318,714	1,190,874,338	1,273,528,036	1,275,642,722	1,336,010,850	1,477,149,378	1,521,425,739	1,520,155,318	1,645,773,164
Districts[1]										
Ambulance Districts	33,204,314	35,834,162	37,614,539	40,232,711	40,622,866	43,754,650	49,247,153	53,054,189	54,854,636	57,517,087
Emergency Service Districts	0	3,887,078	7,143,953	7,519,253	7,524,813	10,430,448	13,184,536	13,813,028	14,101,642	14,829,750
Fire Protection Districts	9,684,184	11,767,709	13,060,004	14,105,320	14,207,178	15,240,684	16,945,905	17,701,780	17,955,973	19,333,947
Hospital Districts	0	0	0	97,546	329,590	383,322	394,732	417,350	403,102	369,693
Public Library Districts	0	0	0	0	623,720	1,064,213	1,202,701	1,227,514	1,194,950	1,520,400
Regional Jail Districts	874,836	857,842	872,570	925,244	895,020	936,890	1,035,556	1,058,124	1,081,865	1,079,528
Regional Recreation Districts	0	0	0	1,029	3,146	3,857	5,383	3,528	4,639	13,888
Tourism Community Districts	7,262,564	7,089,429	7,451,557	6,052,170	7,401,168	7,531,710	7,936,743	8,217,319	8,127,822	8,359,606
Zoological Districts	0	0	0	4,542,779	14,249,348	14,986,687	16,515,801	17,239,588	17,131,267	17,862,598
Transportation Development Districts	2,861,227	14,144,062	45,774,991	51,150,119	51,515,254	60,401,992	71,639,918	74,911,843	74,945,567	78,091,563
Community Improvement Districts[2]	11,272,475	15,047,449	18,518,718	24,057,173	27,846,354	30,357,558	40,712,899	46,456,789	49,905,510	62,795,570
Community Development Districts	3,204,365	3,048,250	2,896,714	3,131,750	3,177,621	3,238,916	3,607,775	3,770,163	3,854,222	0
Port Improvement Districts	0	0	0	0	0	0	0	131,268	205,849	278,081
Total Districts	68,363,965	91,675,981	133,333,046	151,815,094	168,396,078	188,330,927	222,429,102	238,002,483	243,767,044	262,051,711
TOTAL LOCAL DISTRIBUTIONS	$ 2,511,013,312	2,478,331,210	2,699,641,987	2,897,855,335	2,923,701,981	3,081,104,916	3,402,182,141	3,511,242,150	3,507,038,099	3,778,251,035

[1] For fiscal years prior to fiscal year 2015, sales and use tax distributions for political subdivisions with less than 6 taxpayers are not included in the amounts reported.
[2] In fiscal year 2018, the Department of Revenue combined Community Development Districts with Community Improvement Districts.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Holt County, Missouri

The Office of the State Auditor contracted for an audit of Holt County's financial statements for the 2 years ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

August 2019
Report No. 2019-066

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

HOLT COUNTY, MISSOURI

For the Years Ended
December 31, 2018 and 2017

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

KANSAS CITY

HOLT COUNTY, MISSOURI

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INTRODUCTORY SECTION

HOLT COUNTY, MISSOURI
List of Elected Officials 2017-2018

County Commission

Presiding Commissioner – Mark Sitherwood

Commissioner, First District – Carla Markt

Commissioner, Second District – David Carroll

Other Elected Officials

Assessor – LaDonna Jones

Circuit Clerk and ex officio Recorder of Deeds – Vicki Book

Collector – Samantha Timothy

County Clerk – Angie Gamache

Coroner – Susan Lentz

Prosecuting Attorney – Robert Shepherd

Public Administrator – Brian Buck

Sheriff – David McClain

Treasurer – Gay Quick

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Holt County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Holt County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Holt County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Holt County, Missouri, as of December 31, 2017 and 2018, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Holt County, Missouri, as of December 31, 2017 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Holt County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 5, 2019, on our consideration of Holt County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Holt County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 5, 2019

Exhibit A

HOLT COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
General Revenue	$ 640,072	$ 1,707,005	$ 1,564,701	$ 782,376	$ 1,628,001	$ 1,604,756	$ 805,621
Special Road & Bridge	212,187	2,016,218	1,952,838	275,567	1,540,876	1,196,622	619,821
Assessment	156,912	179,828	128,813	207,927	179,899	187,169	200,657
Johnson Grass	118,800	55,267	26,996	147,071	69,764	65,119	151,716
Prosecuting Attorney Training	993	721	-	1,714	813	309	2,218
Law Enforcement Training	1,496	4,044	4,278	1,262	4,595	4,576	1,281
Local Emergency Planning Commission	4,537	22	908	3,651	55	134	3,572
Recorder's Special	9,578	3,004	4,709	7,873	3,102	707	10,268
Neighborhood Improvement District	408	20	-	428	17	-	445
Prosecuting Attorney's Admin Handling	5,651	261	5	5,907	299	5	6,201
911	231,422	182,378	228,385	185,415	189,395	212,622	162,188
State C.A.R.T.	136,299	375,370	277,777	233,892	369,775	302,870	300,797
Local C.A.R.T.	96,224	180,184	146,742	129,666	187,571	139,958	177,279
Sheriff's Civil Fees	2,498	4,067	4,811	1,754	4,777	1,604	4,927
Clerk's Election Fee	4,613	1,128	741	5,000	1,725	1,480	5,245
Victims of Domestic Violence	125	135	135	125	135	125	135
Collector's Tax Maintenance	59,408	8,826	16,620	51,614	10,826	-	62,440
Senior Citizen's Services	8,828	67,326	67,100	9,054	65,597	65,082	9,569
Mausoleum Trusts	28,803	210	84	28,929	213	24	29,118
Sheriff's Revolving	14,607	1,024	1,880	13,751	3,641	5,009	12,383
Deputy Sheriff Salary Supplementation	5,246	26,526	25,224	6,548	23,943	27,050	3,441
Jail Commissary	9,112	2,795	1,575	10,332	5,299	531	15,100
Inmate, Prisoner, Detainee Security	5,583	6,766	420	11,929	7,385	1,320	17,994
Total	$ 1,753,402	$ 4,823,125	$ 4,454,742	$ 2,121,785	$ 4,297,703	$ 3,817,072	$ 2,602,416

The accompanying Notes to the Financial Statements are an integral part of this statement.

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL REVENUE FUND			
	Year Ended December 31,			
	2017		2018	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 552,250	$ 564,684	$ 522,300	$ 573,414
Sales taxes	484,000	569,700	484,000	536,677
Intergovernmental	183,250	176,952	200,402	143,474
Charges for services	211,750	220,138	209,600	226,087
Interest	3,000	5,126	3,000	16,631
Other	50	61	50	1,801
Transfers in	165,700	170,344	175,000	129,917
Total Receipts	$ 1,600,000	$ 1,707,005	$ 1,594,352	$ 1,628,001
DISBURSEMENTS				
County Commission	$ 87,200	$ 84,777	$ 87,200	$ 85,408
County Clerk	117,000	111,709	121,500	112,684
Elections	66,000	35,479	77,000	41,172
Buildings and grounds	78,050	55,622	84,000	64,407
Employee fringe benefits	285,500	234,301	285,500	250,580
Treasurer	44,000	41,954	44,000	43,210
Collector	73,280	68,201	74,590	61,747
Recorder of Deeds	26,860	24,076	27,200	24,922
Circuit Clerk	12,000	6,419	12,000	5,720
Court administration	10,900	1,171	10,900	730
Public Administrator	29,000	28,559	26,860	24,713
Sheriff	227,150	237,619	283,150	261,319
Jail	274,000	241,547	285,500	251,472
Prosecuting Attorney	96,200	88,886	103,300	91,102
Juvenile Officer	12,980	5,817	15,980	10,239
Coroner	25,150	20,606	26,000	16,793
Other General County Government	213,100	149,626	212,460	150,922
Health Department	137,350	112,780	121,086	88,718
Health and Welfare	7,000	6,000	9,615	8,460
Transfers out	9,700	9,552	10,500	10,438
Emergency fund	50,000	-	50,000	-
Total Disbursements	$ 1,882,420	$ 1,564,701	$ 1,968,341	$ 1,604,756
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (282,420)	$ 142,304	$ (373,989)	$ 23,245
CASH AND INVESTMENTS, JANUARY 1	640,072	640,072	782,376	782,376
CASH AND INVESTMENTS, DECEMBER 31	$ 357,652	$ 782,376	$ 408,387	$ 805,621

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 450,000	$ 526,246	$ 455,000	$ 519,780	$ -	$ -	$ -	$ -
Sales taxes	175,000	178,344	175,000	184,269	-	-	-	-
Intergovernmental	981,500	1,005,623	891,000	520,933	128,475	158,382	147,245	155,299
Charges for services	-	-	-	-	3,200	11,177	6,000	11,767
Interest	1,500	2,005	1,500	8,198	450	1,269	300	3,833
Other	2,500	-	2,500	696	-	-	-	-
Transfers in	350,000	304,000	350,000	307,000	9,000	9,000	9,000	9,000
Total Receipts	$ 1,960,500	$ 2,016,218	$ 1,875,000	$ 1,540,876	$ 141,125	$ 179,828	$ 162,545	$ 179,899
DISBURSEMENTS								
Salaries	$ 257,000	$ 217,878	$ 240,000	$ 221,513	$ 100,755	$ 88,958	$ 114,329	$ 97,436
Employee fringe benefits	100,500	89,762	100,500	82,603	9,710	8,428	12,750	7,743
Materials and supplies	533,750	492,868	569,650	541,942	24,700	3,757	25,200	3,084
Services and other	143,500	137,449	179,500	86,302	69,100	26,170	79,800	77,406
Capital outlay	146,500	143,805	146,600	143,806	-	-	-	-
Construction	700,000	786,076	617,000	85,831	-	-	-	-
Transfers out	85,000	85,000	95,000	34,625	-	1,500	-	1,500
Total Disbursements	$ 1,966,250	$ 1,952,838	$ 1,948,250	$ 1,196,622	$ 204,265	$ 128,813	$ 232,079	$ 187,169
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (5,750)	$ 63,380	$ (73,250)	$ 344,254	$ (63,140)	$ 51,015	$ (69,534)	$ (7,270)
CASH AND INVESTMENTS, JANUARY 1	212,187	212,187	275,567	275,567	156,912	156,912	207,927	207,927
CASH AND INVESTMENTS, DECEMBER 31	$ 206,437	$ 275,567	$ 202,317	$ 619,821	$ 93,772	$ 207,927	$ 138,393	$ 200,657

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JOHNSON GRASS FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 52,500	$ 53,862	$ 49,100	$ 52,415	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,500	568	500	110	-	-	-	-
Charges for services	-	-	-	-	750	714	750	782
Interest	500	837	500	2,660	5	7	5	31
Other	-	-	10,000	14,579	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 63,500	$ 55,267	$ 60,100	$ 69,764	$ 755	$ 721	$ 755	$ 813
DISBURSEMENTS								
Salaries	$ 20,000	$ 11,550	$ 20,000	$ 13,214	$ -	$ -	$ -	$ -
Employee fringe benefits	5,500	884	5,500	1,011	-	-	-	-
Materials and supplies	8,000	6,870	8,000	8,022	-	-	-	-
Services and other	48,500	4,902	48,500	4,582	1,500	-	1,500	309
Capital outlay	20,000	290	20,000	35,790	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,500	2,500	2,500	2,500	-	-	-	-
Total Disbursements	$ 104,500	$ 26,996	$ 104,500	$ 65,119	$ 1,500	$ -	$ 1,500	$ 309
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (41,000)	$ 28,271	$ (44,400)	$ 4,645	$ (745)	$ 721	$ (745)	$ 504
CASH AND INVESTMENTS, JANUARY 1	118,800	118,800	147,071	147,071	993	993	1,714	1,714
CASH AND INVESTMENTS, DECEMBER 31	$ 77,800	$ 147,071	$ 102,671	$ 151,716	$ 248	$ 1,714	$ 969	$ 2,218

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				LOCAL EMERGENCY PLANNING COMMISSION			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,500	1,187	1,500	1,443	-	-	-	-
Charges for services	3,000	2,852	3,000	3,129	-	-	-	-
Interest	10	5	10	23	20	22	20	55
Other	-	-	-	-		-	-	-
Transfers in	-	-	-	-		-	-	-
Total Receipts	$ 4,510	$ 4,044	$ 4,510	$ 4,595	$ 20	$ 22	$ 20	$ 55
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	250	-	250	-	-	-	-	-
Services and other	5,750	4,278	5,500	4,576	4,550	908	3,550	134
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 6,000	$ 4,278	$ 5,750	$ 4,576	$ 4,550	$ 908	$ 3,550	$ 134
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,490)	$ (234)	$ (1,240)	$ 19	$ (4,530)	$ (886)	$ (3,530)	$ (79)
CASH AND INVESTMENTS, JANUARY 1	1,496	1,496	1,262	1,262	4,537	4,537	3,651	3,651
CASH AND INVESTMENTS, DECEMBER 31	$ 6	$ 1,262	$ 22	$ 1,281	$ 7	$ 3,651	$ 121	$ 3,572

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S SPECIAL FUND				NEIGHBORHOOD IMPROVEMENT DISTRICT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 100	$ 20	$ 50	$ 17
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,200	2,963	3,200	2,953	-	-	-	-
Interest	40	41	40	149	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,240	$ 3,004	$ 3,240	$ 3,102	$ 100	$ 20	$ 50	$ 17
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,150	-	2,150	197	-	-	-	-
Services and other	9,450	4,709	8,750	510	500	-	400	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 11,600	$ 4,709	$ 10,900	$ 707	$ 500	$ -	$ 400	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (8,360)	$ (1,705)	$ (7,660)	$ 2,395	$ (400)	$ 20	$ (350)	$ 17
CASH AND INVESTMENTS, JANUARY 1	9,578	9,578	7,873	7,873	408	408	428	428
CASH AND INVESTMENTS, DECEMBER 31	$ 1,218	$ 7,873	$ 213	$ 10,268	$ 8	$ 428	$ 78	$ 445

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY'S ADMIN HANDLING FUND				911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	175,000	178,333	175,000	184,254
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	500	230	475	205	600	600	600	-
Interest	25	31	25	94	1,000	1,225	1,000	3,559
Other	-	-	-	-	2,250	2,220	2,250	1,582
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 525	$ 261	$ 500	$ 299	$ 178,850	$ 182,378	$ 178,850	$ 189,395
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	28,100	12,328	24,100	14,621
Services and other	6,000	5	6,000	5	117,500	54,741	121,500	55,902
Capital outlay	-	-	-	-	107,500	79,972	75,500	50,807
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	102,000	81,344	102,000	91,292
Total Disbursements	$ 6,000	$ 5	$ 6,000	$ 5	$ 355,100	$ 228,385	$ 323,100	$ 212,622
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (5,475)	$ 256	$ (5,500)	$ 294	$ (176,250)	$ (46,007)	$ (144,250)	$ (23,227)
CASH AND INVESTMENTS, JANUARY 1	5,651	5,651	5,907	5,907	231,422	231,422	185,415	185,415
CASH AND INVESTMENTS, DECEMBER 31	$ 176	$ 5,907	$ 407	$ 6,201	$ 55,172	$ 185,415	$ 41,165	$ 162,188

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	STATE C.A.R.T. FUND				LOCAL C.A.R.T. FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	175,000	178,344	175,000	184,254
Intergovernmental	357,000	373,904	360,000	363,619	-	1,000	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,200	1,466	1,200	6,156	400	840	400	3,317
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 358,200	$ 375,370	$ 361,200	$ 369,775	$ 175,400	$ 180,184	$ 175,400	$ 187,571
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	220,000	80,777	220,000	102,870	75,000	39,742	75,000	32,958
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	200,000	197,000	200,000	200,000	150,000	107,000	150,000	107,000
Total Disbursements	$ 420,000	$ 277,777	$ 420,000	$ 302,870	$ 225,000	$ 146,742	$ 225,000	$ 139,958
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (61,800)	$ 97,593	$ (58,800)	$ 66,905	$ (49,600)	$ 33,442	$ (49,600)	$ 47,613
CASH AND INVESTMENTS, JANUARY 1	136,299	136,299	233,892	233,892	96,224	96,224	129,666	129,666
CASH AND INVESTMENTS, DECEMBER 31	$ 74,499	$ 233,892	$ 175,092	$ 300,797	$ 46,624	$ 129,666	$ 80,066	$ 177,279

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S CIVIL FEES FUND				CLERK'S ELECTION FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	300	550	300	217
Charges for services	5,000	4,060	5,000	4,730	-	-	-	-
Interest	15	7	15	47	10	26	10	70
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	700	552	700	1,438
Total Receipts	$ 5,015	$ 4,067	$ 5,015	$ 4,777	$ 1,010	$ 1,128	$ 1,010	$ 1,725
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	7,000	4,811	6,750	1,604	-	-	-	-
Services and other	-	-	-	-	5,000	741	5,000	1,480
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 7,000	$ 4,811	$ 6,750	$ 1,604	$ 5,000	$ 741	$ 5,000	$ 1,480
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,985)	$ (744)	$ (1,735)	$ 3,173	$ (3,990)	$ 387	$ (3,990)	$ 245
CASH AND INVESTMENTS, JANUARY 1	2,498	2,498	1,754	1,754	4,613	4,613	5,000	5,000
CASH AND INVESTMENTS, DECEMBER 31	$ 513	$ 1,754	$ 19	$ 4,927	$ 623	$ 5,000	$ 1,010	$ 5,245

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

HOLT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTIMS OF DOMESTIC VIOLENCE FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	150	135	150	135	9,000	8,826	9,000	10,826
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 150	$ 135	$ 150	$ 135	$ 9,000	$ 8,826	$ 9,000	$ 10,826
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	13,000	16,520	9,000	-
Services and other	250	135	250	125	7,400	100	7,400	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 250	$ 135	$ 250	$ 125	$ 20,400	$ 16,620	$ 16,400	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (100)	$ -	$ (100)	$ 10	$ (11,400)	$ (7,794)	$ (7,400)	$ 10,826
CASH AND INVESTMENTS, JANUARY 1	125	125	125	125	59,408	59,408	51,614	51,614
CASH AND INVESTMENTS, DECEMBER 31	$ 25	$ 125	$ 25	$ 135	$ 48,008	$ 51,614	$ 44,214	$ 62,440

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZEN'S SERVICES FUND				MAUSOLEUM TRUSTS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 62,500	$ 67,283	$ 62,500	$ 65,471	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	40	43	40	126	200	210	200	213
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 62,540	$ 67,326	$ 62,540	$ 65,597	$ 200	$ 210	$ 200	$ 213
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	70,000	67,100	70,000	65,082	29,000	84	29,000	24
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 70,000	$ 67,100	$ 70,000	$ 65,082	$ 29,000	$ 84	$ 29,000	$ 24
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,460)	$ 226	$ (7,460)	$ 515	$ (28,800)	$ 126	$ (28,800)	$ 189
CASH AND INVESTMENTS, JANUARY 1	8,828	8,828	9,054	9,054	28,803	28,803	28,929	28,929
CASH AND INVESTMENTS, DECEMBER 31	$ 1,368	$ 9,054	$ 1,594	$ 9,569	$ 3	$ 28,929	$ 129	$ 29,118

The accompanying Notes to the Financial Statements are an integral part of these statements.

HOLT COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				DEPUTY SHERIFF SALARY SUPPLEMENTATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	25,000	26,526	25,000	23,943
Charges for services	7,500	950	1,000	3,430	-	-	-	-
Interest	50	74	50	211	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 7,550	$ 1,024	$ 1,050	$ 3,641	$ 25,000	$ 26,526	$ 25,000	$ 23,943
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 29,250	$ 25,224	$ 29,250	$ 27,050
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	12,000	1,514	9,134	4,029	-	-	-	-
Services and other	7,000	366	5,567	980	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 19,000	$ 1,880	$ 14,701	$ 5,009	$ 29,250	$ 25,224	$ 29,250	$ 27,050
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (11,450)	$ (856)	$ (13,651)	$ (1,368)	$ (4,250)	$ 1,302	$ (4,250)	$ (3,107)
CASH AND INVESTMENTS, JANUARY 1	14,607	14,607	13,751	13,751	5,246	5,246	6,548	6,548
CASH AND INVESTMENTS, DECEMBER 31	$ 3,157	$ 13,751	$ 100	$ 12,383	$ 996	$ 6,548	$ 2,298	$ 3,441

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-12

HOLT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JAIL COMMISSARY FUND				INMATE, PRISONER, DETAINEE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2017		2018		2017		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500	2,738	3,200	5,088	7,000	6,721	7,000	7,150
Interest	30	57	30	211	20	45	20	235
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,530	$ 2,795	$ 3,230	$ 5,299	$ 7,020	$ 6,766	$ 7,020	$ 7,385
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	12,000	1,575	12,000	531	12,550	420	12,550	1,320
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 12,000	$ 1,575	$ 12,000	$ 531	$ 12,550	$ 420	$ 12,550	$ 1,320
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (8,470)	$ 1,220	$ (8,770)	$ 4,768	$ (5,530)	$ 6,346	$ (5,530)	$ 6,065
CASH AND INVESTMENTS, JANUARY 1	9,112	9,112	10,332	10,332	5,583	5,583	11,929	11,929
CASH AND INVESTMENTS, DECEMBER 31	$ 642	$ 10,332	$ 1,562	$ 15,100	$ 53	$ 11,929	$ 6,399	$ 17,994

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

HOLT COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2018

Fund/Account	Cash and Investments January 1, 2017	Receipts 2017	Disbursements 2017	Cash and Investments December 31, 2017	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018
Treasurer's Levees	$ 1,240,501	$ 381,448	$ 386,913	$ 1,235,036	$ 403,839	$ 246,390	$ 1,392,485
Treasurer's Ambulance	-	412,610	412,610	-	412,512	412,512	-
Treasurer's Special Road Districts	641,820	230,629	192,308	680,141	242,417	223,977	698,581
Treasurer's Surplus Tax	769	1,541	353	1,957	213	423	1,747
Treasurer's CERF	-	65,803	65,803	-	86,198	86,198	-
Treasurer's Cities	-	2,745	2,745	-	1,028	1,028	-
Treasurer's Fire	-	340,034	340,034	-	322,068	322,068	-
Treasurer's Cemeteries	684,546	5,874	5,233	685,187	5,607	4,682	686,112
Treasurer's Schools	52,032	6,097,731	6,091,796	57,967	6,189,254	6,179,854	67,367
Collector's Main Account	8,497,743	10,154,643	10,321,942	8,330,444	9,873,490	10,265,991	7,937,943
Collector's Surtax Account	7,416	386,360	389,671	4,105	417,275	407,083	14,297
Collector's Protest Accounts	-	20,108	-	20,108	24,343	-	44,451
Recorder of Deeds	3,032	38,537	38,768	2,801	39,375	38,770	3,406
Sheriff's Commissary Account	1,873	9,602	9,200	2,275	34,211	29,517	6,969
Sheriff's Department Account	1,285	57,981	58,521	745	63,560	63,175	1,130
Public Administrator Accounts	7,864	108,336	102,263	13,937	129,507	115,118	28,326
Total	$ 11,138,881	$ 18,313,982	$ 18,418,160	$ 11,034,703	$ 18,244,897	$ 18,396,786	$ 10,882,814

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Holt County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk and ex officio Recorder of Deeds, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Holt County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from

accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2018 and 2017, for purposes of taxation were:

	2018	2017
Real Estate	$ 70,400,122	$ 69,820,529
Personal Property	35,928,973	34,839,226
Railroad and Utilities	40,997,204	38,900,319
Total	$ 147,326,299	$ 143,560,074

For calendar years 2018 and 2017, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018	2017
General Revenue	$ 0.3384	$ 0.3546
Special Road & Bridge	0.4066	0.4066
Johnson Grass	0.0369	0.0369
Senior Citizen's Services	0.0461	0.0461

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are

less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018 and 2017, the carrying amounts of the County's deposits were $2,602,416 and $2,121,785, respectively, and the bank balances were $2,842,574 and $2,284,546, respectively. Of the bank balances, $279,119 and $278,929 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018 and 2017, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018 and 2017, the carrying amounts of the County's custodial funds were $10,882,814 and $11,034,703, respectively, and the bank balances were $8,709,067 and $8,028,367, respectively. Of the bank balances, $534,779 and $1,009,174 were covered by federal depository insurance at December 31, 2018 and December 31, 2017, respectively. The remainder of the balances at December 31, 2018 and December 31, 2017 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Holt County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Holt County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 0.3% and 1.5% (General), and 0.5% and 0.5% (Police) of annual covered payroll for 2018 and 2017 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2018 and 2017, the County contributed $41,866 and $38,784 to LAGERS.

4) Funding Status

As of February 28, 2018, the actuarial value of assets exceeded the accrued liabilities of the plan by $388,002 for the General division, and by $121,039 for the Police division. As of February 29, 2017, the actuarial value of accrued liabilities exceeded the assets of the plan by $471,725 for the General division, and the actuarial value of assets exceeded the accrued liabilities of the plan by $139,219 for the Police division. These net pension assets are not recognized in the cash basis financial statements of the County.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2018 and 2017, the County collected and remitted to CERF employee withholdings and fees collected of $86,198 and $65,803, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $4,208 and $1,683, respectively, for the years ended December 31, 2018 and 2017.

D. Other Retirement Plan

Holt County has a voluntary 457(b) plan which is paid by a deduction from employee’s salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions qualify collected and remitted by the County for the years ended December 31, 2018 and 2017 were $15,110 and $11,842, respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are

fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time and part-time employees who receive benefits with four hours of sick leave on the first day of each month, up to a maximum of 30 days. Twenty-four hours of sick leave is accrued on January 1 of each year. Upon termination, employees will not be compensated for any unused sick time.

Vacation time is made available in whole on the employee's anniversary date. Vacation time is five days for employees with one year of service; ten days for employees with two to 19 years of service; and 15 days for employees with 20 or more years of service. Employees are allowed to carry over a maximum of 15 days of vacation into a new employment year. Upon termination, employees are compensated for any unused vacation time.

Three days of personal time is provided for full-time employees. Personal time not used within the anniversary year is lost at year end. Upon termination, employees will not be compensated for any unused personal time.

Full-time employees earn overtime or compensatory time credits based on department assignment. Overtime and Compensatory Time credits are earned at 1.5 times the regular hourly rate of the employee for work hours accumulated over 40 hours in a work week and 80 hours in a two-week pay period. Upon termination, employees are compensated for any compensatory time credits.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Rural Services Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

A. In January 2015, the County entered into a $184,500, four-year capital lease for a 2015 John Deere 770G Motor Grader for the Road & Bridge department. The lease called for annual payments of $48,274 through March 2018. The last annual payment was made in March 2018. The payments include interest of 2.76%.

B. In March 2015, the County entered into a $14,250, three-year capital lease for a 2011 Crown Victoria for the Sheriff's Office. The last annual payment was made in June 2017 in the amount of $4,925. The payment included interest of 3.00%.

C. In April 2015, the County entered into a $193,795, five-year capital lease for two 2016 Mack Trucks for the Road & Bridge department. The lease calls for annual payments of $41,099 through April 2019. The payments include interest of 2.97%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 39,894	$ 1,205	$ 41,099
Totals	$ 39,894	$ 1,205	$ 41,099

D. In April 2016, the County entered into a $170,264, seven-year capital lease for a 2016 John Deere 770GXT Motor Grader for the Road & Bridge department. The lease calls for annual payments of $27,637 through May 2023. The payments include interest of 3.25%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 23,497	$ 4,140	$ 27,637
2020	24,272	3,365	27,637
2021	25,073	2,564	27,637
2022	25,900	1,737	27,637
2023	26,755	883	27,638
Totals	$ 125,497	$ 12,689	$ 138,186

E. In June 2016, the County entered into a $68,800, three-year capital lease for a 2016 Dodge Ram and Dodge Durango for the Sheriff's Office. The lease calls for annual payments of $24,314 through April 2019. The payments include interest of 2.98%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 23,610	$ 704	$ 24,314
Totals	$ 23,610	$ 704	$ 24,314

F. In September 2016, the County entered into a $125,361, four-year capital lease for a 2016 John Deere 6110ML Tractor and a 2016 Diamond DBM-C-N 50 Mower for the Road & Bridge department. A $50,000 advance lease payment was required at signing and was paid in September 2016. The lease calls for annual payments of $26,795 through September 2020. The payments include interest of 3.25%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	$ 25,940	$ 855	$ 26,795
2020	1	-	1
Totals	$ 25,941	$ 855	$ 26,796

G. In April 2018, the County entered into a $32,050, three-year capital lease for a 2017 Ford Explorer for the Sheriff's Office. The lease calls for annual payments of $11,059 through April 2020. The payments include interest of 3.48%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2019	10,327	732	11,059
2020	10,686	373	11,059
Totals	$ 21,013	$ 1,105	$ 22,118

The following schedule shows changes in long-term debt during the year ended December 31, 2017:

Description	Balance 12/31/2016	Additions	Payments	Balance 12/31/2017	Interest Paid
2015 John Deere Grader 770G	$ 92,660	$ -	$ (45,693)	$ 46,967	$ 2,581
2011 Ford Crown Victoria	4,782	-	(4,782)	-	143
Two 2016 Mack Trucks	116,208	-	(37,590)	78,618	3,509
2016 John Deere Grader 770G	170,264	-	(22,020)	148,244	5,617
2016 Dodge Ram and Durango	68,800	-	(22,263)	46,537	2,051
2016 John Deere Tractor & Mower	75,361	-	(24,309)	51,052	2,486

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2015 John Deere Grader 770G	$ 46,967	$ -	$ (46,967)	$ -	$ 1,308
Two 2016 Mack Trucks	78,618	-	(38,724)	39,894	2,375
2016 John Deere Grader 770G	148,244	-	(22,747)	125,497	4,890
2016 Dodge Ram and Durango	46,537	-	(22,927)	23,610	1,387
2016 John Deere Tractor & Mower	51,052	-	(25,111)	25,941	1,684
2017 Ford Explorer	-	32,050	(11,037)	21,013	22

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 5, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Holt County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Holt County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2017 and 2018, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Holt County, Missouri's basic financial statements and have issued our report thereon dated July 5, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Holt County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Holt County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Holt County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Holt County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2018-001.

Holt County, Missouri's Response to Finding

Holt County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Holt County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 5, 2019

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Holt County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Holt County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Holt County, Missouri's major federal programs for the years ended December 31, 2017 and 2018. Holt County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Holt County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Holt County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Holt County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Holt County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2017 and 2018.

Report on Internal Control over Compliance

Management of Holt County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Holt County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Holt County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2018-002 and 2018-003, that we consider to be significant deficiencies.

Holt County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Holt County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 5, 2019

HOLT COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31, 2017	2018
	U.S. DEPARTMENT OF AGRICULTURE			
	Passed through Missouri Department of Health and Senior Services -			
10.557	Special Supplemental Nutrition Program	17WIC	$ 8,553	$ -
	for Women, Infants, and Children	18WIC	3,900	9,134
		19WIC	-	2,687
	Total 10.557		$ 12,453	$ 11,821
	U.S. DEPARTMENT OF THE INTERIOR			
15.659	Fish and Wildlife Refuge Fund	n/a	$ 28,002	$ 22,783
	U.S. DEPARTMENT OF JUSTICE			
	Passed through Missouri Department of Public Safety -			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2017-LLEBG-034	$ -	$ 9,350
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through Missouri Department of Transportation -			
20.205	Highway Planning and Construction	BRO-B044(32)	127,496	-
		BRO-B044(33)	657,332	3,000
		BRO-B044(34)	-	82,248
	Total 20.205 / Highway Planning and Construction Cluster		$ 784,828	$ 85,248
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through Missouri Department of Health and Senior Services -			
93.069	Public Health Emergency Preparedness	TP000531-05Z	$ 5,320	$ -
		TP171701-01Z	4,710	5,551
		TP171701-02Z	-	4,493
	Total 93.069		$ 10,030	$ 10,044
93.575	Child Care and Development Block Grant	17CCDF	$ 240	$ -
		18CCDF	-	1,125
		19CCDF	-	1,241
	Total 93.575 / CCDF Cluster		$ 240	$ 2,366
93.994	Maternal and Child Health Services Block Grant	16MCH	$ 6,221	$ -
		17MCH	6,321	-
		18MCH	2,888	8,090
		19MCH	-	1,087
	Total 93.994		$ 15,430	$ 9,177
93.767	Participation Agreement for State Investment in Local Public Health Services	17LPHAMEDEAR	$ 6,677	$ -
		18LPHAMEDEAR	19,850	10,330
		19LPHAMEDEAR	-	15,532
	Total 93.767		$ 26,527	$ 25,862
	Total Expenditures of Federal Awards		$ 877,510	$ 176,651

See accompanying Notes to the Schedule of Expenditures of Federal Awards

HOLT COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Holt County, Missouri for the years ended December 31, 2018 and 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE C – SUBRECIPIENTS

The County did not pass any federal awards through to subrecipients during the years ended December 31, 2018 and 2017.

HOLT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
- Material weakness(es) identified?	___ Yes __X__ No
- Significant deficiencies identified that are not considered to be material weaknesses?	___ Yes __X__ None Reported
- Noncompliance material to financial statements noted?	__X__ Yes ___ No

Federal Awards:

Internal Control Over Major Programs:	
- Material weakness(es) identified?	___ Yes __X__ No
- Significant deficiencies identified that are not considered to be material weaknesses?	__X__ Yes ___ None Reported
Type of Auditor's Report Issued on Compliance For Major Programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance section 200.516?	__X__ Yes ___ No

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$750,000
Auditee Qualified as low-risk:	___ Yes __X__ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2018-001. Timely Filing of the Collector's Settlement

Criteria: 139.160 of RSMo requires County Collectors to settle accounts with the County Commission and file the Collector's Annual Settlement by the first Monday of March.

Condition: The County Collector did not file an annual settlement for the period ending February 28, 2019 as of the first Monday in March. The settlement had not been completed as of the date of audit fieldwork. The settlement was subsequently completed and dated June 10, 2019.

Cause: The County's prior collector was appointed to the position in May 2018. The County Collector ended her term in March 2019. The Collector did not file her annual settlement prior to her term ending.

Effect: Timely filing of the Collector's settlement with the County Clerk allows for the independent verification of the Collector's accounts with the records maintained by the County Clerk.

Recommendation: We recommend that the County Collector file the Collector's Annual Settlement for the year ended February 28, 2019 and establish procedures to ensure that future settlements are submitted by the required date. We recommend that the County Clerk provide a certification of the Collector's accounts or obtain from the Collector a rationale of the basis for untimely filings.

County's Response: The County recognizes that the 2019 Collector's Annual Settlement was not completed on time due to the change of elected officials. The County will continue to make every effort to comply with reporting deadlines.

Auditor's Evaluation: The response is appropriate to correct the concern.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-002. Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture; U.S. Department of the Interior; U.S. Department of Justice; U.S. Department of Transportation; U.S. Department of Health and Human Services

Pass-Through Grantor: Missouri Department of Public Safety; Missouri Department of Transportation; Missouri Department of Health and Senior Services

Federal CFDA Number: 10.557; 15.659; 16.738; 20.205; 93.069, 93.575, 93.994, 93.767

Program Title: Special Supplemental Nutrition Program for Women, Infants, and Children; Fish and Wildlife Refuge Fund; Edward Byrne Memorial Justice Assistance Grant Program; Highway Planning and Construction; Public Health Emergency Preparedness, Child Care and Development Block Grant, Maternal and Child Health Services Block Grant, Participation Agreement for State Investment in Local Public Health Services

Pass-through Entity Identifying Number: 17WIC, 18WIC, 19WIC; 2017-LLEBG-034; BRO-B044(32), BRO-B044(33), BRO-B044(34); TP000531-05Z, TP171701-01Z, TP171701-02Z, 17CCDF, 18CCDF, 19CCDF, 16MCH, 17MCH, 18MCH, 19MCH, 17LPHAMEDEAR, 18LPHAMEDEAR, 19LPHAMEDEAR

Award Year: 2017 and 2018

Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2017 and 2018 annual budget documents contained errors in amounts of federal expenditures reported. Expenditures by the county were understated by $17,712 in 2017 and $52,756 in 2018.

Cause: The County reported Highway Planning and Construction receipts rather than expenditures in 2017 and 2018. The County only reported Health and Human Services grant expenditures which they received reimbursements for, and not the entire amount received and expended. The County Clerk did not include a federal award related to the purchase of the security cameras that the Sheriff received. The County Clerk was not aware that the Wildlife Refuge Funds were federal funds required to be reported on the SEFA.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2018 and 2017.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year.

County's Response: The County understands that Federal Awards are to be reported on the SEFA accurately. Wildlife Refuge Funds were previously considered Payment in Lieu of Tax monies which were considered property taxes instead of Federal Grant Awards but will be included on the SEFA. The County will continue to make every effort to comply and accurately report all Federal Grant Awards on SEFA.

Auditor's Evaluation: The response is appropriate to correct the concern.

2018-003: Cash Management Procedures

Federal Grantor: U.S. Department of Transportation

Pass-Through Grantor: Missouri Department of Transportation

Federal CFDA Number: 20.205

Program Title: Highway Planning and Construction

Pass-through Entity Identifying Number: BRO-B044(33)

Award Year: 2017 and 2018

Questioned Costs: None

Criteria: Federal award requirements state that recipients receiving advances of federal funds must implement procedures to minimize the time elapsing between the receipt of federal funds and the disbursement of the funds. BRO program regulations state that Local Public Agencies (Holt County) must "develop cash management procedures to ensure payment is made to the contractor/consultant within two (2) business days of receipt of funds from MoDOT."

Condition: There were 2 instances where the County wrote checks to the consulting engineers or construction contractors on a BRO project more than two days after receiving the reimbursement from MoDOT into the County's bank account. The County typically submitted invoices to MoDOT for reimbursement prior to making the payment to the consulting engineer or construction contractor.

One transaction ($24,280) was received on September 18, 2017 and the date paid per the check was September 25, 2017, which was the fifth business day. The second transaction ($3,000) was received on January 8, 2018 and was paid on January 12, 2018 which was the fourth business day.

Cause: The County commissioners meet on Mondays. Both deposits were received on a Monday. The checks were not written until preparation for the following Monday's County Commissioner meeting.

Effect: The grant is intended to be a reimbursement type grant, however, the County may have inappropriately earned interest on the federal funds due to the delay in payments.

Recommendation: We recommend that the County implement internal controls to ensure that federal funds are disbursed in a timely manner in accordance with federal regulations and the terms and conditions of federal awards.

County's Response: The County understands BRO payments must be issued within two business days of receipt of funds from MODOT and have already put measures in place to correct this. The County will continue to make every effort to comply while working with the numerous transactions that occur every year.

Auditor's Evaluation: The response is appropriate to correct the concern.

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

- **Corrective Action Plan**

County Commission of Holt County

Office of the County Clerk

Tom Bullock	102 W. Nodaway	Angie Gamache
Presiding Commissioner	P.O. Box 437	County Clerk
	Oregon, Missouri	
Carla Markt	64473	Glenda Atkins
First District Commissioner	Phone: (660)446-3303	Deputy Clerk
	Fax: (660)446-3353	
David Carroll		Amanda Parsons
Second District Commissioner		Deputy Clerk

HOLT COUNTY, MISSOURI
CORRECTIVE ACTION PLAN

Finding Reference Number: 2018-001

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Cindy Wohlford, Collector

Views of Responsible Individuals:

The County recognizes that the 2019 Collector's Annual Settlement was not completed on time due to the change of elected officials. The County will continue to make every effort to comply with reporting deadlines.

Finding Reference Number: 2018-002

Federal Agency: U.S. Department of Agriculture; U.S. Department of the Interior; U.S. Department of Justice; U.S. Department of Transportation; U.S. Department of Health and Human Services

Program Name: Special Supplemental Nutrition Program for Women, Infants, and Children; Fish and Wildlife Refuge Fund; Edward Byrne Memorial Justice Assistance Grant Program; Highway Planning and Construction; Public Health Emergency Preparedness, Child Care and Development Block Grant, Maternal and Child Health Services Block Grant, Participation Agreement for State Investment in Local Public Health Services

CFDA Number: 10.557; 15.659; 16.738; 20.205; 93.069, 93.575, 93.994, 93.767

Responsible Official: Angie Gamache, County Clerk

County Commission of Holt County

Office of the County Clerk

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Presiding Commissioner	P.O. Box 437	County Clerk
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	Fax: (660)446-3353	
David Carroll		Amanda Parsons
Second District Commissioner		Deputy Clerk

Views of Responsible Individuals:

The County understands that Federal Awards are to be reported on the SEFA accurately. Wildlife Refuge Funds were previously considered Payment in Lieu of Tax monies which were considered property taxes instead of Federal Grant Awards but will be included on the SEFA. The County will continue to make every effort to comply and accurately report all Federal Grant Awards on the SEFA.

Finding Reference Number: 2018-003

Federal Agency: U.S. Department of Transportation

Program Name: Highway Planning and Construction

CFDA Number: 20.205

Responsible Official: Angie Gamache, County Clerk

Views of Responsible Individuals:

The County understands that BRO payments must be issued within two business days of receipt of funds from MODOT and have already put measures in place to correct this. The County will continue to make every effort to comply while working with the numerous transactions that occur every year.

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

To the County Commission and
Officeholders of Holt County, Missouri

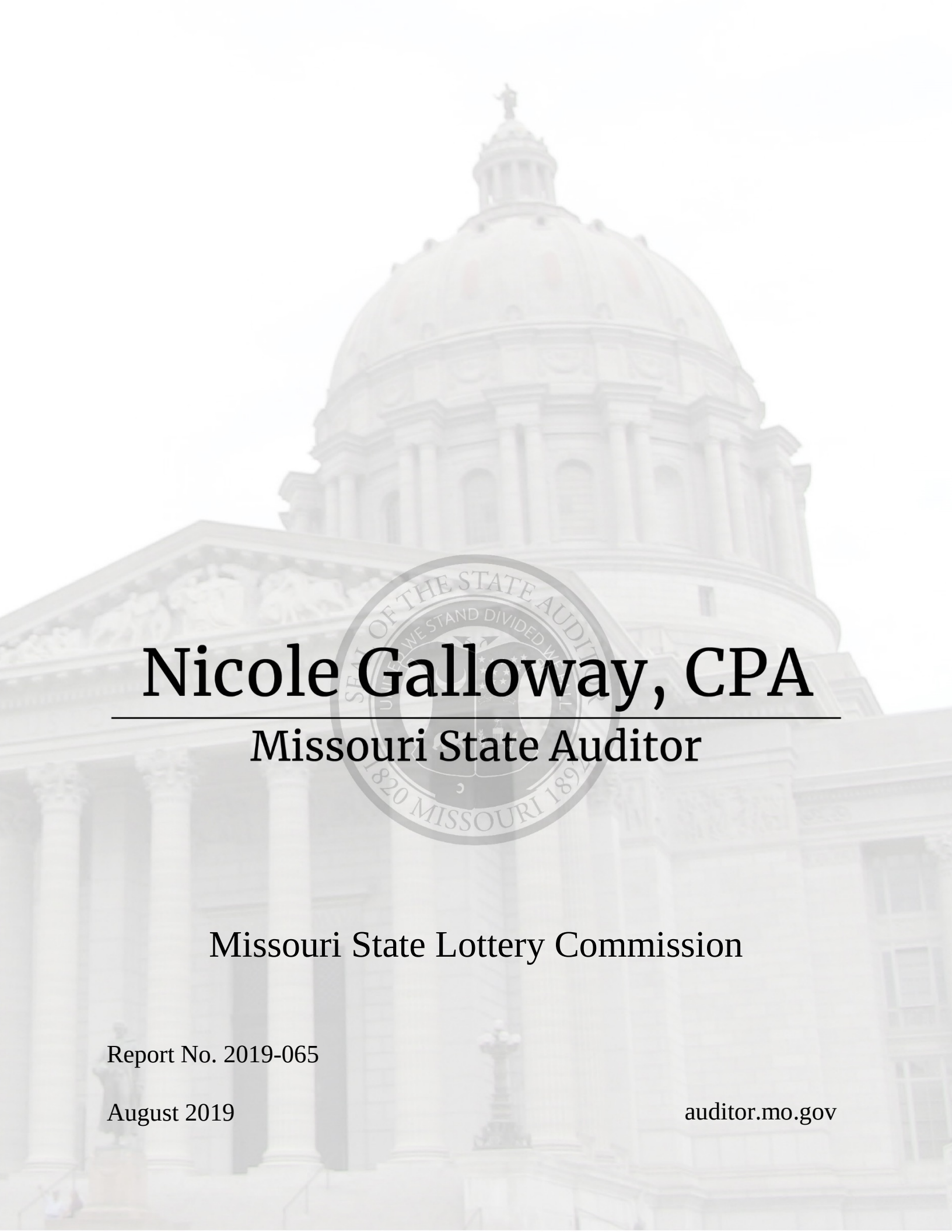
In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2017 and 2018, we considered Holt County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated July 5, 2019. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Collector Bank Reconciliations

There were no formally documented bank reconciliations on the County Collector's office accounts after October 2018. The interim County Collector took office in May 2018 and left office in February 2019. The interim County Collector prepared and documented bank reconciliations for May 2018 through October 2018. After the October 2018 bank reconciliation, the County was not able to locate a documented bank reconciliation. However, sufficient alternative documentation was maintained to show that a reconciliation of the account was being performed. Bank reconciliations not being formally documented may cause discrepancies to go uncorrected. We recommend that the County Collector ensure that bank reconciliations are formally performed and documented for all accounts each month.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC



Nicole Galloway, CPA

Missouri State Auditor

Missouri State Lottery Commission

Report No. 2019-065

August 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri State Lottery Commission

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from the audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Missouri State Lottery Commission
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Missouri State Lottery Commission
and
May Scheve Reardon, Executive Director
Missouri State Lottery Commission
Jefferson City, Missouri

The State Auditor is required under Section 313.315.1, RSMo, to audit the Missouri State Lottery Commission. The Lottery engaged CliftonLarsonAllen LLP, Certified Public Accountants (CPAs), to audit the Lottery's financial statements for the years ended June 30, 2018 and 2017. To satisfy our statutory obligation and minimize duplication of effort, the State Auditor has used the work of the CPA firm. We reviewed the reports and substantiating working papers of the CPA firm to satisfy ourselves as to the appropriateness of using the reports, and we accept them in partial fulfillment of our duties. We have also audited certain operations of the Lottery in fulfillment of our duties under Section 313.315.1, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2018 and 2017. The additional objectives of our audit were to:

1. Evaluate the Lottery's internal controls over significant management and financial functions.

2. Evaluate the Lottery's compliance with certain legal provisions.

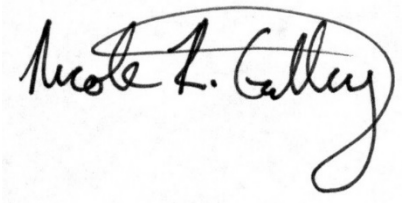
3. Evaluate the economy and efficiency of certain management practices and procedures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Lottery, analysis of comparative data obtained from external and/or internal sources; review of contracts that are specific to the auditee's operations and significant within the context of the audit objectives; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Lottery's management and was not subjected to the procedures applied in our audit of the Lottery.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Missouri State Lottery Commission.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	James M. Applegate, MBA
Audit Staff:	Scott Davis, MAc, CPA
	Joel Stucky
	Emmett Spradlin

Pursuant to Sections 313.200 to 313.350, RSMo, the Missouri State Lottery Commission (Lottery) was created in June 1985. That action followed voter approval of a lottery amendment to the Missouri Constitution at the November 1984 general election. The Lottery began selling instant game tickets on January 20, 1986. From 1986 to 1993, lottery proceeds less prizes and expenses were transferred to the General Revenue Fund for appropriation by the General Assembly. Effective July 1, 1993, pursuant to a voter approved lottery amendment to Article III, Section 39(b), Missouri Constitution, lottery proceeds are transferred to the Lottery Proceeds Fund for appropriation by the General Assembly for educational purposes.

Section 313.321 RSMo, provides that all monies received from the sale of Missouri lottery tickets and all other sources shall be deposited in the State Lottery Fund (SLF), and at least 45 percent of monies from ticket sales shall be used to fund lottery prizes. The General Assembly may appropriate SLF monies to the Lottery for expenses related to administration, advertising, promotion, and retailer compensation.

Traditionally, the Lottery has paid out more than the minimum 45 percent of sales as prizes. The pay-out percentage has averaged 62.43 percent from 1986 to 2018. The prize percentage fluctuates each year based on factors such as the type of scratcher tickets sold (each game has a different prize structure) and the timing of payouts related to draw game sales such as the Powerball and Mega Millions games. Lottery officials believe that more people will play if there are more prizes to receive.

Lottery retailers are authorized to redeem prizes up to $600, or players may claim any prizes in person at any of the Lottery offices. Prizes paid by the Lottery are paid from an imprest checking account that is reimbursed from the SLF. Prior to July 1, 2016, net sales due from retailers were deposited into the Lottery Enterprise Fund (LEF) and used to reimburse the imprest checking account. Beginning July 1, 2016, the SLF began receiving the net sales due from retailers. Monies are transferred from the SLF to the LEF for lottery operational costs.

Estimated Transfers of Profits

Article III, Section 39(b), of the Missouri Constitution requires Lottery profits be transferred to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary and higher education. In September each year, as part of the state budget process, the Lottery develops estimates of the transfer for the subsequent fiscal year in its budget request submitted to the Office of Administration and Governor. For example, the estimate for fiscal year 2018 (which began July 2017) was developed by the Lottery in September 2016. The Lottery's estimates provide a basis from which the Governor incorporates estimates into the budget submitted to the General Assembly for determining appropriations to schools from the Lottery Proceeds Fund.

Estimated and actual transfers for the last 4 fiscal years were as follows:

Estimated and actual transfers to the Lottery Proceeds Fund

		Year Ended June 30,			
		2018	2017	2016	2015
Lottery estimate	$	286,004,759	278,794,691	278,723,574	298,563,213
Actual cash transfer		306,072,098	297,874,417	308,993,403	270,701,018
Actual over (under) estimate	$	20,067,339	19,079,726	30,269,829	(27,862,195)
Variance from estimate		7.0%	6.8%	10.9%	(9.4%)

Beginning with fiscal year 2017, the Lottery estimates transfers using the average of the total actual transfers for the preceding 5 fiscal years plus 1 percent. The Lottery's estimated transfers were $289.6 million and $293.1 million for the fiscal year 2019 and 2020 budgets, respectively.

Commission

A five-member Lottery commission is appointed by the Governor with the advice and consent of the Senate. The commission must meet at least quarterly. The commission has the authority to promulgate rules as it deems necessary and desirable to fully implement the Lottery as mandated by the people in Article III, Missouri Constitution. The commission appoints an executive director to act as secretary of the commission and keep all books and records of the commission. The executive director oversees the commission's operation and administration. At June 30, 2018, May Scheve Reardon served as Executive Director, and members of the commission were:

Commissioner	Term Expiration
John (Mike) Hannegan	September 2018
Paul K. Kincaid, Chairman	September 2017
Dr. Judene Blackburn	September 2016
Michael Grewe, Vice-Chairman	September 2020
Robin Simpson	September 2019

Section 313.215, RSMo, requires appointments to be made within 30 days of the expiration of a term. However, the current practice is for the expired member to serve until reappointed or a new member is appointed.

The Lottery is organized into four divisions: Executive, Sales, Marketing, and Operations. Each division is headed by a director who coordinates activities to meet the commission's objectives. At June 30, 2018, the Missouri State Lottery Commission employed 153 individuals.

Financial Activity

A summary of the Lottery's operating financial activity is presented in the following Appendixes.

Appendix A

Missouri State Lottery Commission
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2018			2017		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
LOTTERY ENTERPRISE FUND						
Lottery prizes	$ 0	0	0	12,750,000	0	12,750,000
Advertising expenses	16,000,000	15,999,996	4	16,000,000	15,999,987	13
Personal services	7,075,249	6,706,457	368,792	7,075,249	6,811,521	263,728
Payment of real property leases, related services, utilities, system furniture, and structural modifications - expense and equipment	1,523,847	1,126,538	397,309	872,543	867,078	5,465
Expense and equipment	43,262,397	40,682,565	2,579,832	35,718,992	34,023,937	1,695,055
Total Lottery Enterprise Fund	67,861,493	64,515,556	3,345,937	72,416,784	57,702,523	14,714,261
STATE LOTTERY FUND						
Lottery prizes	174,075,218	166,459,472	7,615,746	147,360,494	147,360,493	1
Total State Lottery Fund	174,075,218	166,459,472	7,615,746	147,360,494	147,360,493	1
Total All Funds	$ 241,936,711	230,975,028	10,961,683	219,777,278	205,063,016	14,714,262

Appendix B

Missouri State Lottery Commission
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Salaries and wages	$ 6,706,457	6,811,521	6,782,747	6,687,606	6,614,485
Travel, in-state	130,269	140,227	122,314	115,939	118,879
Travel, out-of-state	72,031	39,651	52,057	40,626	47,158
Fuel and utilities	42,519	39,350	38,184	40,846	41,245
Supplies	807,548	743,649	704,154	628,355	633,931
Professional development	140,765	113,876	130,518	71,648	101,377
Communication services and supplies	264,726	306,632	356,146	312,118	425,961
Services:					
Printing and binding	10,320,967	7,733,796	7,829,480	6,713,548	8,208,242
Advertising	14,021,940	13,571,864	13,501,826	10,676,014	14,056,807
Other business	23,440,925	19,424,599	20,832,033	14,723,363	13,738,344
Accounting and auditing	215,018	208,019	206,380	197,565	196,215
Public relations	1,534,293	1,496,890	1,865,127	1,383,764	1,733,761
Other professional	3,025,729	2,894,702	3,053,372	2,526,534	4,974,385
Housekeeping and janitorial	64,746	56,537	55,291	45,989	50,248
Maintenance and repair	840,806	909,086	732,941	1,065,687	962,948
Equipment:					
Computer	391,230	754,429	1,215,452	462,670	731,754
Motorized	136,948	177,850	136,214	193,868	302,000
Office	46,844	17,461	80,012	58,237	12,774
Other	889,668	998,863	586,657	427,350	831,292
Property and improvements	642,675	503,564	128,242	80,281	126,117
Building lease payments	514,523	449,554	433,910	430,541	436,002
Equipment rental and leases	87,917	76,318	70,734	3,283,405	3,416,216
Lottery prizes	164,906,021	140,538,806	166,709,217	132,259,433	155,959,740
Lottery prizes-merchandise	1,553,451	6,821,688	7,366,001	7,054,490	6,840,850
Lottery retailer-incentives	67,760	73,280	175,618	133,223	276,018
Lottery retailer incentives - merchandise	53,677	95,979	181,420	131,518	66,957
Agency provided food	20,572	18,587	10,691	23,006	27,715
Miscellaneous expenses	31,408	35,859	82,918	39,516	29,248
Refunds	3,595	10,379	3,483	2,880	5,500
Total Expenditures	$ 230,975,028	205,063,016	233,443,139	189,810,020	220,966,169

Appendix C

Missouri State Lottery Commission
(An Enterprise Fund of the State of Missouri)
Statements of Net Position As of June 30, 2018 and 2017

	2018	2017
Current Assets		
Cash and cash equivalents	$ 59,063,698	37,508,864
Investments held for grand-prize winners	3,402,187	3,416,653
Accounts receivable, net of allowances for returns	52,996,747	50,472,073
Other assets	299,675	240,232
Total current assets	115,762,307	91,637,822
Noncurrent Assets		
Capital assets		
Capital assets not being depreciated	600,885	359,579
Capital assets	12,884,399	12,927,945
Accumulated depreciation	(10,890,775)	(10,317,636)
	2,594,509	2,969,888
Investments held for grand-prize winners	29,395,660	33,128,585
Total noncurrent assets	31,990,169	36,098,473
Total assets	147,752,476	127,736,295
Deferred Outflows		
Deferred Outflows - Pension	5,917,437	5,667,097
Deferred Outflows - Other Post-Employment Benefits (OPEB)	283,130	280,008
Total Deferred Outflows	6,200,567	5,947,105
Current Liabilities		
Accounts payable	547,820	2,178,353
Due to Lottery Proceeds Fund	27,949,949	1,569,218
Accrued prize liabilities	75,798,740	78,274,162
Grand-prize winner liabilities	3,434,000	3,434,000
Other accrued liabilities	5,181,685	5,262,119
Total current liabilities	112,912,194	90,717,852
Long-term Liabilities		
Due to Lottery Proceeds Fund	3,532,455	2,592,560
Grand-prize winner liabilities	27,352,404	29,476,471
Net Pension Liability	18,003,639	16,213,218
Net OPEB Liability	7,473,049	7,252,358
Total long-term liabilities	56,361,547	55,534,607
Total liabilities	169,273,741	146,252,459
Deferred Inflows		
Deferred Inflows - Pension	334,477	162,164
Deferred Inflows - OPEB	14,017	0
Total deferred inflows	348,494	162,164
Net Position		
Investment in capital assets	2,594,509	2,969,888
Unrestricted	(20,275,144)	(19,335,879)
Restricted for the unrealized gain/loss on investments held for grand-prize winners	2,011,443	3,634,768
Total net position	$ (15,669,192)	(12,731,223)

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Appendix D

Missouri State Lottery Commission
(An Enterprise Fund of the State of Missouri)
Statements of Revenues, Expenses and Changes In Net Position
For The Years Ended June 30, 2018 and 2017

		2018	2017
Operating Revenues			
Scratchers ticket sales	$	906,750,562	868,860,724
Draw Game ticket sales		407,434,258	366,627,267
Pull-Tab ticket sales		86,031,403	107,177,118
Total sales		1,400,216,223	1,342,665,109
Other		141,620	122,247
Total operating revenues		1,400,357,843	1,342,787,356
Operating Expenses			
Scratchers prizes		627,758,243	628,819,481
Draw Game prizes		234,328,837	206,821,350
Pull-Tab prizes		77,392,802	96,456,214
Scratchers retailer commissions and incentives		57,743,804	55,486,736
Draw Game retailer commissions and incentives		23,137,954	20,858,484
Pull-Tab retailer commissions and incentives		1,727,416	2,144,532
Cost of tickets sold		26,730,754	23,623,749
Depreciation		1,068,721	1,012,816
Advertising		15,999,996	15,999,987
Wages and benefits		12,192,088	11,359,488
Other general and administrative		8,746,472	7,925,065
Total operating expenses		1,086,827,087	1,070,507,902
Operating income		313,530,756	272,279,454
Nonoperating Revenues (Expenses)			
Interest income		464,854	186,447
Unclaimed prizes		18,050,899	19,209,102
Gain (Loss) on sale of capital assets		31,570	(18,788)
Net increase (decrease) in the fair value of investments held for grand-prize winners		(313,392)	(1,098,544)
Amortization of grand-prize winner liability		(1,309,933)	(1,370,943)
Transfers to State of Missouri Lottery Proceeds Fund		(333,392,723)	(291,583,694)
Total nonoperating revenues (expenses)		(316,468,725)	(274,676,420)
Changes in net position		(2,937,969)	(2,396,966)
Total Net Position, Beginning of Year		(12,731,223)	(3,361,907)
Prior Period Adjustment		0	(6,972,350)
Total Net Position, End of Year	$	(15,669,192)	(12,731,223)

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Appendix E

Missouri State Lottery Commission
(An Enterprise Fund of the State of Missouri)
Statements of Cash Flows
For The Years Ended June 30, 2018 and 2017

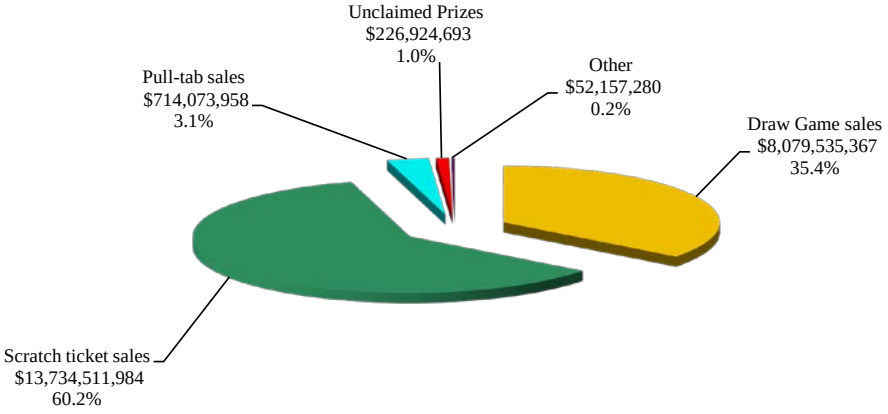
	2018	2017
Cash Flows From Operating Activities		
Cash received from retailers and others	$ 1,397,482,207	1,337,555,046
Cash paid for prizes	(927,338,405)	(907,087,205)
Cash paid for retailer commissions	(82,436,288)	(78,410,871)
Cash paid for employee services	(10,215,451)	(10,092,647)
Cash paid for other expenses	(53,102,213)	(45,757,114)
Net cash provided by operating activities	324,389,850	296,207,209
Cash Flows From Noncapital Financing Activities		
Transfers to State of Missouri	(306,072,097)	(297,874,416)
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(693,846)	(1,113,404)
Proceeds from sale of capital assets	32,073	47,456
Net cash used for capital and related financing activities	(661,773)	(1,065,948)
Cash Flows From Investing Activities		
Proceeds from maturity of investments	3,434,000	4,008,000
Interest received	464,854	186,447
Net cash provided by investing activities	3,898,854	4,194,447
Net Increase in Cash and Cash Equivalents	21,554,834	1,461,292
Cash and Cash Equivalents, Beginning of Year	37,508,864	36,047,572
Cash and Cash Equivalents, End of Year	59,063,698	37,508,864
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	313,530,756	272,279,454
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,068,721	1,012,816
Noncash pension expense adjustment	1,943,980	1,314,644
Unclaimed prizes	18,050,899	19,209,102
Payments to grand-prize winners	(3,434,000)	(4,008,000)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable, net	(2,524,674)	(4,847,452)
(Increase) decrease in other receivables	(59,443)	(11,431)
(Increase) decrease in prepaid expenses	0	185,084
Increase (decrease) in accounts payable and other accrued liabilities	(1,710,967)	1,264,255
Increase (decrease) in accrued prize liabilities	(2,475,422)	9,808,737
Net cash provided by operating activities	324,389,850	296,207,209
Noncash Activities		
Net increase (decrease) in the fair value of investments held for grand-prize winners	(313,392)	(1,098,544)
Amortization of grand-prize winner liability	$ 1,309,933	1,370,943

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Appendix F

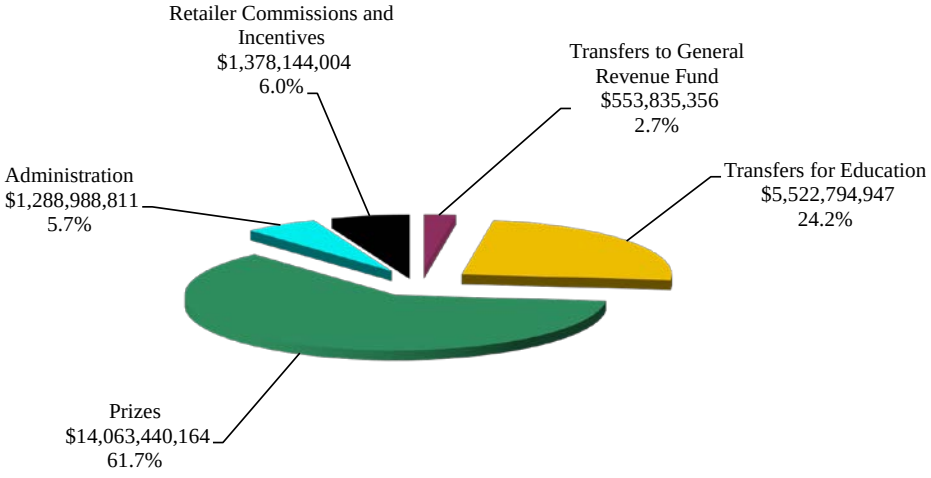
Missouri State Lottery Commission
Revenue and Expenditure Charts
January 20, 1986 Through June 30, 2018

Revenues



Total Revenues: $22,807,203,282

Expenditures

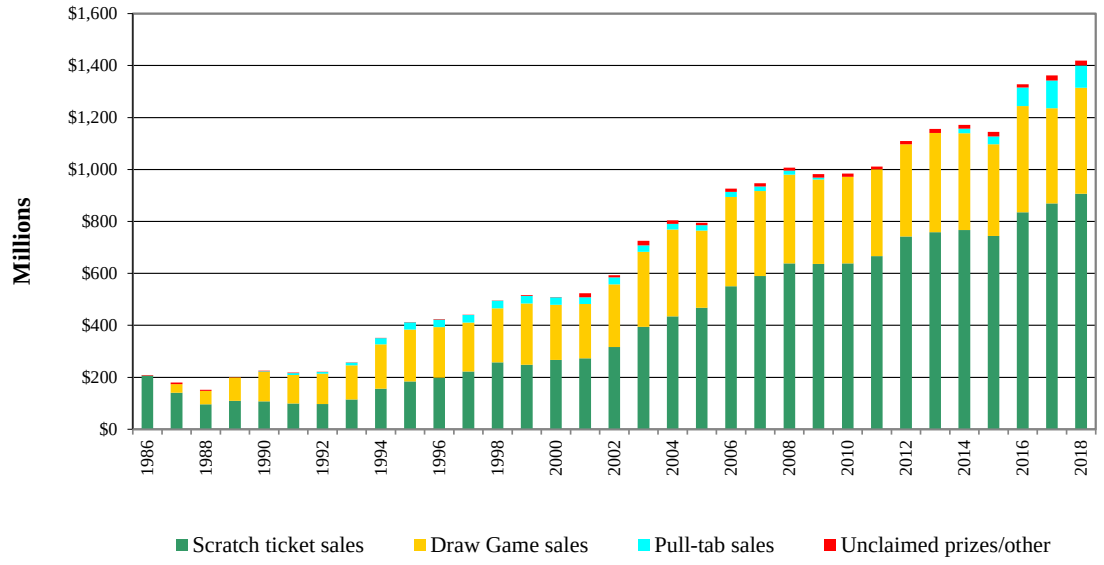


Total Expenditures: $22,807,203,282

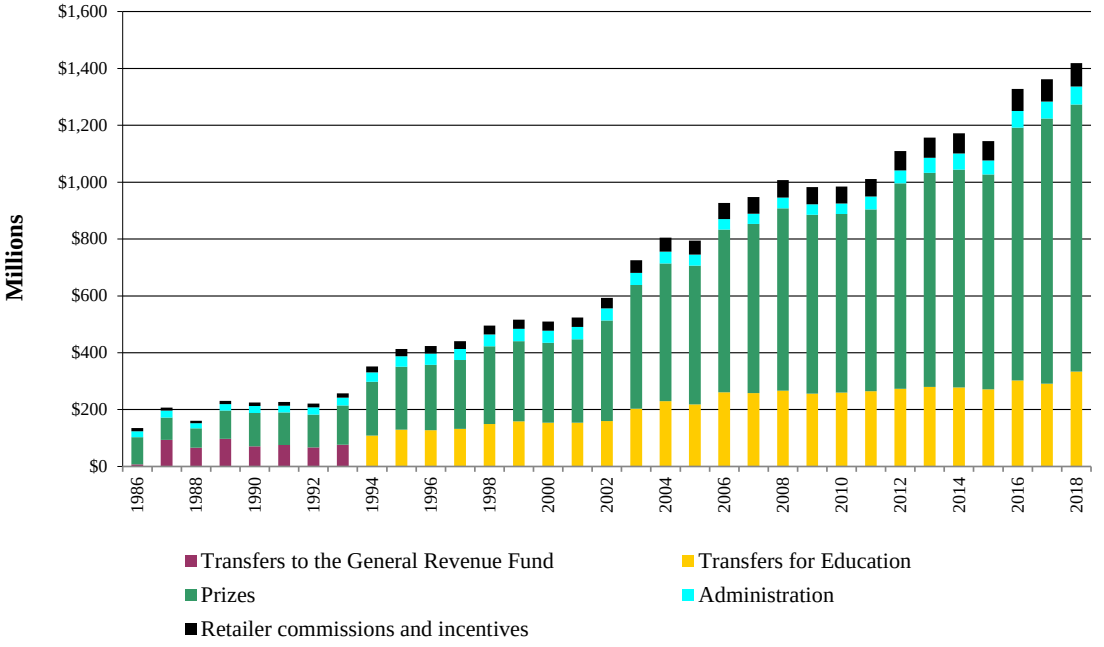
Appendix G

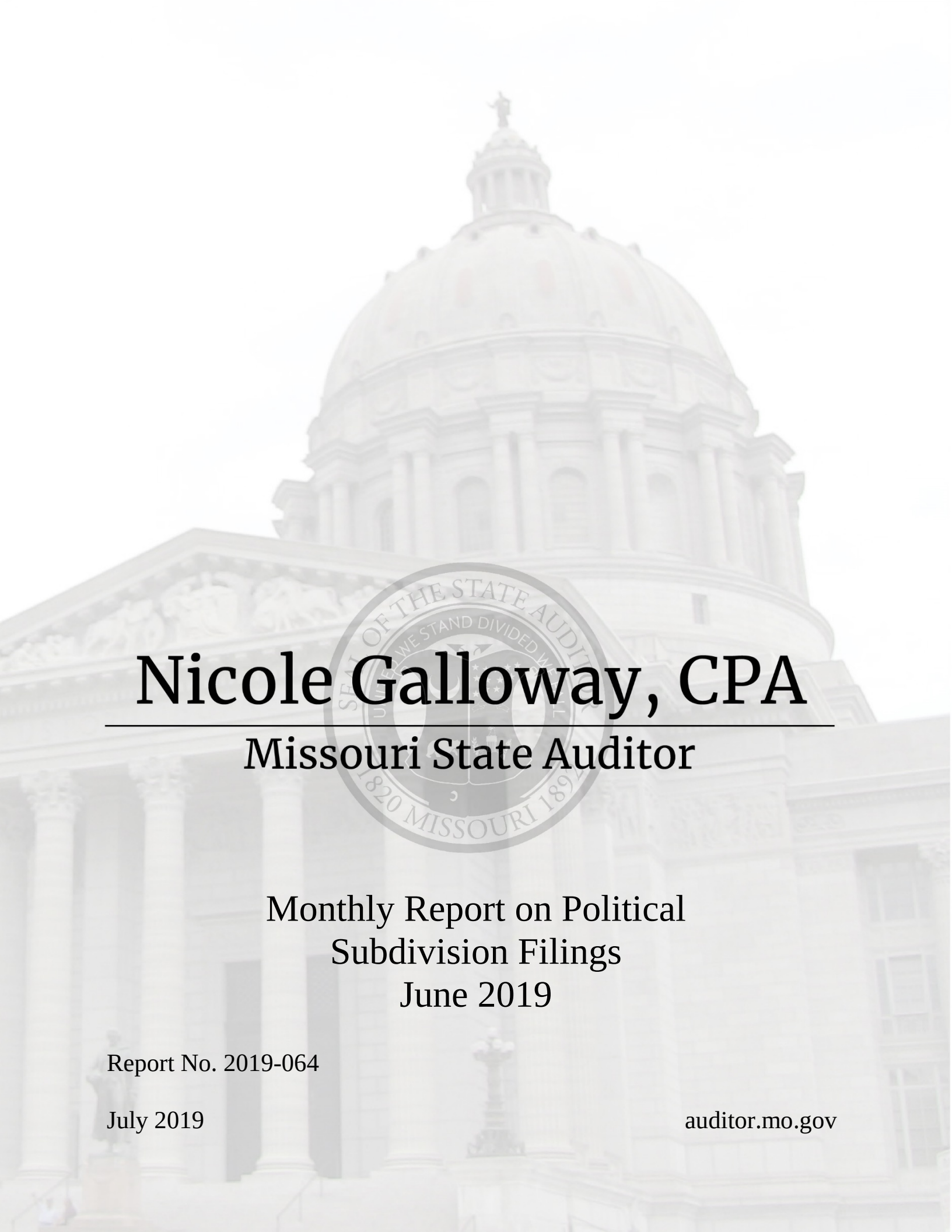
Missouri State Lottery Commission
Revenue and Expenditure Charts
January 20, 1986 Through June 30, 2018

Revenues



Expenditures





Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings June 2019

Report No. 2019-064

July 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
June 2019
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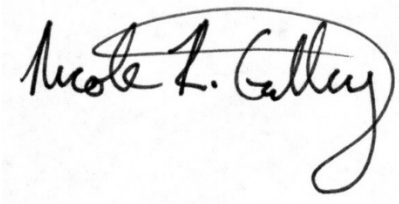
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 1481 political subdivisions required to file a financial report by June 30, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in June 2019, after their filing deadline. The filing status for these 3 entities is presented in summary on page 3 and by individual entity in Appendix B-C.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 1,481 political subdivisions, other than cities, towns, and villages, with a fiscal year end of December 31, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 1,481 political subdivisions, 1,083 filed an annual financial report timely.

This report also includes the filing status for 3 political subdivisions, other than cities, towns, and villages, that filed their financial report in June 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Health Department	Yes	February 19, 2019
	Adair County Library District	Yes	June 25, 2019
	Baltimore Commons CID	Yes	June 26, 2019
	Chariton River Drainage District	No	
	Franklin Street CID	Yes	June 26, 2019
	North Baltimore Street CID	Yes	June 26, 2019
	South 63 Corridor CID	Yes	June 26, 2019
Andrew	Andrew County Ambulance District	No	
	Andrew County Health Department	Yes	January 9, 2019
	Bolckow FPD	Yes	May 26, 2019
	Cosby-Helena FPD	Yes	April 28, 2019
	Fillmore FPD	Yes	February 15, 2019
	Levee District 5 Andrew County	Yes	February 22, 2019
	PWSD 1 Andrew County	Yes	June 11, 2019
	PWSD 2 Andrew County	No	
	Rosendale FPD	Yes	April 10, 2019
	Savannah FPD	Yes	January 11, 2019
	Village of Country Club FPD	No	
Atchison	Atchison County Health Department	Yes	January 7, 2019
	Atchison County Library District	No	
	Atchison-Holt Ambulance District	No	
	Fairfax Volunteer FPD	No	
	Langdon SRD Atchison County	No	
	Levee District 1 Atchison-Holt County	Yes	January 16, 2019
	North Nishnabotna Drainage District	No	
	Phelps City Dyke Drainage District	No	
	Phelps City SRD Atchison County	Yes	May 14, 2019
	PWSD 1 Atchison County	No	
	Tarkio FPD	Yes	April 22, 2019
	Tarkio SRD Atchison County	Yes	January 18, 2019
	Watson SRD Atchison County	Yes	February 13, 2019
	West Atchison Rural FPD	No	
	Westboro Volunteer FPD	Yes	May 13, 2019
Audrain	Audrain Ambulance District	Yes	June 27, 2019
	Audrain County 911 Board	Yes	February 8, 2019
	Audrain County Health Department	Yes	June 18, 2019
	Laddonia & Rural FPD	Yes	February 20, 2019
	Laddonia Farber SRD Audrain County	No	
	Little Dixie FPD	Yes	June 19, 2019
	Martinsburg Area FPD	Yes	February 20, 2019
	Mexico SRD 13 Audrain County	Yes	June 14, 2019
	Mexico-Audrain County PLD	Yes	June 28, 2019
	PWSD 1 Audrain County	No	
	PWSD 2 Audrain County	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Saling SRD 2 Audrain County	No	
	Tri County NHD	No	
	Vandalia SRD Audrain County	No	
Barry	Ash SRD Barry County	No	
	Barry County Health Department	No	
	Barry-Lawrence Ambulance District	Yes	May 30, 2019
	Butterfield FPD	Yes	June 12, 2019
	Butterfield SRD Barry County	Yes	January 14, 2019
	Capps Creek SRD Barry County	No	
	Cassville FPD	Yes	February 25, 2019
	Central Crossing FPD	Yes	June 13, 2019
	Corsicana SRD Barry County	Yes	January 11, 2019
	Crane Creek SRD Barry County	Yes	June 4, 2019
	Eagle Rock-Golden-Mano FPD	Yes	January 18, 2019
	Exeter FPD	Yes	January 28, 2019
	Exeter SRD Barry County	No	
	Flat Creek SRD Barry County	Yes	February 18, 2019
	Greasy Creek SRD 35 Barry County	Yes	March 25, 2019
	Jenkins Rural FPD	Yes	June 4, 2019
	Jenkins SRD 20 Barry County	Yes	February 21, 2019
	Kings Prairie SRD Barry County	No	
	Liberty Common SRD 34 Barry County	Yes	January 22, 2019
	McDonald SRD 19 Barry County	Yes	January 28, 2019
	Mineral Springs SRD 10 Barry County	Yes	April 16, 2019
	Monett Rural FPD	Yes	June 26, 2019
	Monett SRD Barry-Lawrence County	No	
	Mountain SRD 22 Barry County	Yes	February 16, 2019
	Pioneer SRD 31 Barry County	No	
	Pleasant Ridge SRD 25 Barry County	Yes	June 5, 2019
	Purdy FPD	Yes	June 19, 2019
	Purdy SRD 28 Barry County	Yes	February 1, 2019
	Roaring River SRD 2 Barry County	Yes	May 15, 2019
	Seligman FPD	Yes	June 3, 2019
	Shell Knob SRD 9 Barry County	Yes	April 8, 2019
	South Barry Ambulance District	Yes	January 3, 2019
	South Barry County Memorial Hospital	No	
	Sugar Creek SRD 3 Barry County	No	
	Viola SRD 21 Barry County	Yes	January 25, 2019
	Washburn FPD	Yes	January 11, 2019
	Washburn SRD 4 Barry County	No	
	Wheaton FPD	Yes	June 27, 2019
	Wheaton SRD 29 Barry County	Yes	January 9, 2019
	White River SRD 7 Barry County	Yes	February 28, 2019
Barton	Barton County Ambulance District	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Barton County Health Department	Yes	January 17, 2019
	Barton County Library District	Yes	April 30, 2019
	Barton County Memorial Hospital	No	
	Consolidated PWSD 1	Yes	June 30, 2019
Bates	Bates County Health Center	Yes	January 23, 2019
	Bates County Memorial Hospital	Yes	May 16, 2019
Bates	Cornland SRD Bates County	No	
	PWSD 1 Bates County	Yes	January 23, 2019
	PWSD 2 Bates County	Yes	June 17, 2019
	PWSD 3 Bates County	Yes	February 10, 2019
	PWSD 4 Bates County	No	
	PWSD 6 Bates County	Yes	May 9, 2019
	Rich Hill Public Library District	Yes	February 5, 2019
	South Hudson SRD Bates County	Yes	February 5, 2019
Benton	Benton County Health Department	Yes	January 15, 2019
	Brandon SRD Benton County	Yes	February 20, 2019
	Cole Camp & Rural FPD	Yes	June 24, 2019
	Cole Camp Ambulance District	Yes	June 24, 2019
	Cole Camp SRD Benton County	Yes	June 18, 2019
	Deer Creek FPD	Yes	January 6, 2019
	Lakeview Heights FPD	Yes	March 27, 2019
	Lincoln Community FPD	Yes	January 28, 2019
	Osage Valley FPD	Yes	June 24, 2019
	Sewer District 1 Benton County	No	
	U.S. Highway 65 & Truman Dam Access TDD	Yes	June 27, 2019
	Warsaw FPD	No	
	Warsaw-Lincoln Ambulance District	Yes	June 24, 2019
Bollinger	Bollinger County Ambulance District	Yes	April 15, 2019
	Bollinger County Health Center	Yes	January 30, 2019
	Bollinger County Library District	Yes	May 9, 2019
	Leopold Volunteer FPD	No	
	North County FPD	No	
	Sedgewickville FPD	Yes	June 9, 2019
	Woodland FPD	No	
	Zalma FPD	No	
Boone	Blue Ridge Town Centre TDD	Yes	March 5, 2019
	Boone County FPD	Yes	May 29, 2019
	Boone County Regional SwrD	Yes	May 30, 2019
	Boone Hospital Center	Yes	June 17, 2019
	Broadway-Fairview TDD	No	
	Callahan Creek WSD	Yes	May 9, 2019
	Center State TDD	Yes	June 25, 2019
	Centralia SRD Boone County	Yes	January 7, 2019
	Columbia and Boone County PLD	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Columbia Mall TDD	Yes	June 27, 2019
	Conley Road TDD	No	
	Consolidated PWSD 1 Boone County	Yes	March 27, 2019
	Cross Creek TDD	No	
	Daniel Boone Regional PLD	Yes	May 17, 2019
	Grindstone Plaza TDD	No	
	Lake of the Woods TDD	Yes	April 30, 2019
	North 763 CID	No	
	Northwoods TDD	Yes	June 28, 2019
Boone	PWSD 10 Boone County	Yes	June 19, 2019
	PWSD 4 Boone County	Yes	April 3, 2019
	PWSD 9 Boone County	Yes	May 23, 2019
	Rock Bridge Center TDD	No	
	Shoppes at Stadium TDD	No	
	Southern Boone County FPD	Yes	April 17, 2019
	St. Charles Road TDD	Yes	May 15, 2019
	Stadium Corridor TDD	Yes	May 17, 2019
Buchanan	Agri-Business Expo Center TDD	No	
	Colony Hills FPD	Yes	January 13, 2019
	Easton FPD	Yes	July 2, 2019
	Halls Levee District	Yes	February 19, 2019
	Lake Contrary FPD	Yes	May 31, 2019
	PWSD 1 Buchanan County	Yes	June 24, 2019
	San Antonio FPD	No	
	South Central Buchanan County FPD	Yes	June 14, 2019
	South St. Joseph Industrial SwrD	Yes	June 28, 2019
	Southwest Buchanan County FPD	Yes	June 25, 2019
	St. Joseph Airport Levee District	No	
	St. Joseph Gateway TDD	Yes	June 18, 2019
	Tuscany Village TDD	Yes	June 6, 2019
Butler	Butler County FPD	Yes	May 15, 2019
	Butler County Health Department	No	
	Consolidated DD 10 Butler County	No	
	Cripple Creek TDD	Yes	May 10, 2019
	Green Forest CID	Yes	March 21, 2019
	Highway 67 South CID	Yes	April 25, 2019
	Kelly Town Plaza CID	Yes	May 1, 2019
	Naylor-Neelyville AD	No	
	Oak Grove TDD	Yes	June 19, 2019
	Pike Creek Common Sewer District	Yes	April 15, 2019
	Poplar Bluff Municipal PLD	Yes	May 6, 2019
	Poplar Bluff Regional TDD	Yes	June 19, 2019
	PWSD 1 Butler County	Yes	March 27, 2019
	PWSD 104 Butler County	No	

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	PWSD 2 Butler County	Yes	March 19, 2019
	PWSD 3 Butler County	No	
	Qulin Community FPD	Yes	April 17, 2019
	Qulin Highway North CID	No	
	Stateline CID	Yes	April 25, 2019
	Sycamore Street CID	Yes	April 25, 2019
Caldwell	Caldwell County Health Department	No	
	Caldwell County Library District	No	
	Hamilton FPD	No	
	PWSD 1 Caldwell County	No	
	PWSD 2 Caldwell County	Yes	April 22, 2019
	Shoal Creek FPD	No	
Callaway	Callaway County Ambulance District	Yes	May 16, 2019
	Capital View Drainage District	Yes	December 26, 2018
	Central Callaway FPD	No	
	Fulton South Business 54 TDD	Yes	June 7, 2019
	Holts Summit FPD	Yes	May 2, 2019
	New Bloomfield FPD	Yes	April 14, 2019
	North Callaway FPD	Yes	February 9, 2019
	PWSD 1 Callaway County	No	
	PWSD 2 Callaway County	Yes	March 14, 2019
	South Callaway FPD	No	
Camden	American Center CID	No	
	Arrowhead Centre CID	Yes	May 7, 2019
	Ballparks of the Ozarks CID	Yes	April 8, 2019
	Camden County Library District	Yes	April 4, 2019
	Camelot Sewer District	No	
	Dierbergs Osage Beach TDD	Yes	June 25, 2019
	Greenview CID	Yes	March 6, 2019
	Horseshoe Bend Pedestrian Corridor TDD	Yes	April 30, 2019
	Horseshoe Bend SRD 1 Camden County	No	
	Mid-County FPD Camden County	No	
	Normac Sewer District	No	
	Northwest FPD Camden County	Yes	March 27, 2019
	Osage Beach Commons CID	Yes	June 27, 2019
	Osage Beach FPD	Yes	June 20, 2019
	Osage Beach SRD Camden County	No	
	Osage Station TDD	Yes	January 7, 2019
	Peninsula Development CID	Yes	January 15, 2019
	PWSD 1 Camden County	Yes	April 29, 2019
	PWSD 2 Camden County	Yes	February 19, 2019
	PWSD 3 Camden County	No	
	Southwest Camden County FPD	No	
	Sunny Slope Country Club SwrD	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Sunrise Beach FPD	No	
	Toad Cove Complex CID	No	
	Toad Cove Complex TDD	No	
	Toad Cove Resort CID	No	
	Toad Cove Resort TDD	No	
	Tri-County FPD	No	
Cape Girardeau	Cape Girardeau County Public Health	Yes	March 13, 2019
	Cape Girardeau SRD	Yes	May 30, 2019
	Delta FPD	Yes	June 9, 2019
	East County Area FPD	Yes	March 15, 2019
	Fruitland Area FPD	Yes	February 3, 2019
	Gordonville FPD	Yes	April 26, 2019
	Millersville Rural FPD	No	
	PWSD 1 Cape-Perry County	Yes	March 12, 2019
	PWSD 4 Cape Girardeau County	No	
Cape Girardeau	Riverside Regional Library District	Yes	March 27, 2019
	South K TDD	Yes	April 9, 2019
	Whitewater FPD	No	
Carroll	Carroll County 911 Board	Yes	January 15, 2019
	Carroll County Ambulance District	Yes	June 14, 2019
	Carroll County FPD	Yes	March 29, 2019
	Carroll County Health Department	Yes	January 25, 2019
	Carrollton Public Library District	Yes	June 27, 2019
	Hale FPD	Yes	January 6, 2019
	Miles Point Levee District	No	
	Norborne FPD	Yes	February 25, 2019
	North Central Carroll FPD	Yes	February 6, 2019
Carter	Black Mountain CID	Yes	January 30, 2019
	Carter County Health Center	Yes	January 31, 2019
	Carter County Library District	Yes	February 27, 2019
	East Carter Ambulance District	No	
	Eastwood FPD	Yes	May 14, 2019
	Ellsinore Highway 60 CID	No	
	Fremont FPD	No	
	Landing River Center CID	No	
	PWSD 1 Carter County	Yes	January 15, 2019
	PWSD 2 Carter County	No	
Cass	Belton Town Centre TDD	Yes	May 23, 2019
	Belton-Cass Regional TDD	Yes	June 4, 2019
	Cass County EMS Board	Yes	June 19, 2019
	Cass County Public Library District	Yes	June 28, 2019
	Cass Medical Center	No	
	Central Cass County FPD	Yes	January 23, 2019
	Cornerstone Pointe TDD	Yes	June 27, 2019

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	Creighton FPD	No	
	Dolan & West Dolan FPD	No	
	East Gateway TDD	No	
	East Lynne-Gunn City FPD	No	
	Eastern Hills CID	Yes	June 25, 2019
	Garden City FPD	Yes	June 27, 2019
	Harrisonville Brookhart TDD	Yes	May 30, 2019
	Harrisonville Market Place A TDD	Yes	June 29, 2019
	Harrisonville Market Place B TDD	Yes	June 29, 2019
	Harrisonville Towne Center TDD	Yes	March 28, 2019
	Highway 71/291 Partners in Progress TDD	Yes	June 6, 2019
	I-49 & 275th Street TDD	Yes	June 27, 2019
	Mount Pleasant FPD	Yes	June 30, 2019
	Mt. Pleasant SRD Cass County	Yes	January 16, 2019
	Northwest Cass CID	No	
	Pleasant Hill FPD	Yes	April 9, 2019
	PWSD 1 Cass County	Yes	March 14, 2019
	PWSD 10 Cass County	Yes	April 19, 2019
Cass	PWSD 12 Cass County	No	
	PWSD 4 Cass County	Yes	June 28, 2019
	PWSD 5 Cass County	Yes	June 21, 2019
	PWSD 7 Cass County	Yes	June 12, 2019
	PWSD 8 Cass County	Yes	April 2, 2019
	PWSD 9 Cass County	Yes	June 20, 2019
	South Metropolitan FPD	Yes	June 20, 2019
	Stonegate CID	Yes	May 16, 2019
	Western Cass FPD	Yes	June 25, 2019
Cedar	Bear Creek SRD Cedar County	Yes	June 29, 2019
	Bethel SRD Cedar County	Yes	June 29, 2019
	Caplinger Mills SRD Cedar County	Yes	June 29, 2019
	Cedar County Ambulance District	Yes	June 27, 2019
	Cedar County Chapel Hills FPD	Yes	June 29, 2019
	Cedar County Library District	Yes	April 30, 2019
	Cedar Hall SRD Cedar County	Yes	June 29, 2019
	Dogwood SRD Cedar County	Yes	January 17, 2019
	Eldorado Springs SRD Cedar County	Yes	June 29, 2019
	Independence SRD Cedar County	Yes	June 29, 2019
	Jerico Springs SRD Cedar County	Yes	June 29, 2019
	Koncord SRD Cedar County	Yes	June 29, 2019
	Korth Special Road Subdistrict	Yes	June 29, 2019
	Madison SRD Cedar County	Yes	June 29, 2019
	Masters SRD Cedar County	Yes	June 29, 2019
	Omer SRD Cedar County	Yes	June 29, 2019
	PWSD 1 Cedar County	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Rowland SRD Cedar County	Yes	June 29, 2019
	Stockton SRD Cedar County	Yes	June 29, 2019
Chariton	Chariton County 911 Board	No	
	Chariton County Health Center	Yes	January 15, 2019
	Keytesville FPD	Yes	May 29, 2019
	Mendon Public FPD	Yes	January 22, 2019
	PWSD 2 Chariton County	No	
	Sumner Community FPD	Yes	February 19, 2019
	Yellow Creek FPD	Yes	June 20, 2019
Christian	Avicenna CID	No	
	Billings FPD	Yes	May 28, 2019
	Billings SRD Christian County	Yes	January 16, 2019
	Bluff Drive CID	No	
	Chadwick Rural FPD	Yes	June 27, 2019
	Christian County Ambulance District	Yes	April 30, 2019
	Christian County EMS Board	Yes	June 7, 2019
	Christian County Health Department	Yes	May 1, 2019
	Christian County Library District	Yes	February 27, 2019
	Clever FPD	Yes	June 9, 2019
	Clever Highway 14 CID	No	
	Deerbrook Marketplace CID	Yes	June 27, 2019
Christian	Garrison SRD Christian County	Yes	February 1, 2019
	Highlandville CID	Yes	March 1, 2019
	Highlandville Rural FPD	Yes	May 20, 2019
	Highway J & North 17th Street CID	Yes	March 19, 2019
	McCroskey Street CID	Yes	March 22, 2019
	Nixa FPD	Yes	May 23, 2019
	Ozark Downtown CID	No	
	Ozark FPD	Yes	June 5, 2019
	Ozark SRD Christian County	Yes	June 3, 2019
	PWSD 1 Christian County	Yes	March 7, 2019
	Selmore SRD Christian County	No	
	South Sparta SRD Christian County	Yes	June 5, 2019
	Sparta FPD	Yes	May 21, 2019
	Stoneshire SRD Christian County	Yes	May 20, 2019
	Town & Country Village CID	Yes	March 19, 2019
	Town & Country Village TDD	Yes	March 19, 2019
Clark	Alexandria FPD	Yes	February 22, 2019
	Clark County Ambulance District	No	
	Clark County Health Department	Yes	January 18, 2019
	Des Moines Mississippi Levee	Yes	February 1, 2019
	Mississippi Fox Levee District 2	Yes	January 18, 2019
	PWSD 1 Clark County	Yes	January 15, 2019
	Wayland SRD Clark County	Yes	January 16, 2019

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	901 South 291 CID	Yes	June 27, 2019
	Birmingham Drainage District	Yes	April 15, 2019
	Blue Jay Crossing CID	Yes	April 8, 2019
	Briarcliff Parkway & Highway 9 TDD	Yes	June 25, 2019
	Clay County Public Health Center	No	
	Crossroads Shopping Center CID	Yes	February 21, 2019
	Fishing River FPD	Yes	June 27, 2019
	Historic Downtown Liberty CID	Yes	March 18, 2019
	Holly Farms TDD	Yes	June 27, 2019
	Holt Community FPD	No	
	Homestead CID	Yes	April 26, 2019
	Kearney Fire & Rescue Protection	Yes	May 22, 2019
	Liberty Commons TDD	Yes	April 23, 2019
	Liberty Corners CID	Yes	May 2, 2019
	Liberty SRD 5 Clay County	Yes	May 7, 2019
	Liberty Triangle CID	No	
	Liberty Triangle Shopping Center CID	Yes	February 21, 2019
	North Haven Center CID	Yes	June 14, 2019
	North Kansas City SRD 9 Clay County	No	
	Pleasant Valley 8 SRD Clay County	Yes	March 20, 2019
	PWSD 4 Clay County	No	
	PWSD 5 Clay County	No	
	PWSD 6 Clay County	Yes	June 20, 2019
	PWSD 7 Clay County	Yes	February 6, 2019
Clay	PWSD 8 Clay County	Yes	May 8, 2019
	Renaissance Plaza CID	Yes	December 10, 2018
	Rogers Plaza CID	Yes	April 23, 2019
	Tower TDD	Yes	June 27, 2019
Clinton	Cameron Ambulance District	Yes	March 11, 2019
	Cameron FPD	Yes	June 24, 2019
	Cameron SRD Clinton County	Yes	April 1, 2019
	Clinton County Health Department	Yes	March 1, 2019
	Gower FPD	Yes	June 30, 2019
	Lathrop Fire & Rescue	Yes	June 24, 2019
	Plattsburg FPD	Yes	February 5, 2019
	Plattsburg SRD Clinton County	Yes	June 13, 2019
	PWSD 1 Clinton County	Yes	January 24, 2019
	Tri-County Ambulance District	Yes	March 15, 2019
Cole	Cole County FPD	Yes	April 8, 2019
	Commons of Hazel Hills TDD	Yes	April 8, 2019
	Heartland PID of Central Missouri	Yes	June 24, 2019
	Missouri River Regional PLD	Yes	June 21, 2019
	Osage FPD	Yes	June 12, 2019
	PWSD 1 Cole County	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	PWSD 3 Cole County	No	
	PWSD 4 Cole County	Yes	June 20, 2019
	PWSD 5 Cole County	No	
	Regional West FPD	Yes	February 26, 2019
	Russellville Route C CID	No	
	Russellville-Lohman FPD	Yes	February 28, 2019
	Southside Munichburg CID	Yes	April 3, 2019
	Stone Ridge TDD	Yes	April 22, 2019
	U.S. Highway 50/63 & City View TDD	Yes	June 27, 2019
Cooper	Blackwater Volunteer Rural FPD	No	
	Boonville Highway 5 CID	No	
	Boonville Riverfront TDD	Yes	February 1, 2019
	Consolidated PWSD 1 Cooper County	Yes	June 24, 2019
	Cooper County Ambulance District	Yes	April 18, 2019
	Cooper County FPD	Yes	May 8, 2019
	Cooper County NHD	Yes	June 13, 2019
	Cooper County Public Health Center	No	
	Hail Ridge CID	Yes	March 29, 2019
	Otterville FPD	Yes	January 15, 2019
	Overton-Wooldridge Levee District 1	No	
	Pilot Grove Rural FPD	No	
	Prairie Home Rural FPD	Yes	March 8, 2019
	PWSD 1 Cooper County	Yes	May 30, 2019
	Windsor Place CID	No	
Crawford	Bourbon FPD	Yes	June 20, 2019
	Crawford County 911 Board	Yes	February 5, 2019
	Cuba Community FPD	No	
Crawford	Steelville Ambulance District	Yes	May 29, 2019
	Steelville FPD	Yes	June 24, 2019
Dade	Dade County 911 Board	Yes	June 18, 2019
	Dade County Ambulance District	Yes	June 13, 2019
	Dade County Health Department	Yes	February 12, 2019
	Dade County Library District	Yes	April 22, 2019
	Dadeville Rural FPD	Yes	January 9, 2019
	Good Shepherd NHD	Yes	March 26, 2019
	Lockwood FPD	No	
Dallas	Dallas County Health Department	Yes	January 15, 2019
	Dallas County Library District	Yes	March 7, 2019
	Elkland FPD	Yes	April 30, 2019
	Southern Dallas County FPD	No	
	Urbana Highway 65 CID	No	
Daviess	Coffey FPD	No	
	Daviess County 911 Board	Yes	June 18, 2019
	Daviess County Health Department	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Daviess County Library District	Yes	April 30, 2019
	Daviess County SRD 1	No	
	Gallatin FPD	Yes	March 13, 2019
	Jameson FPD	Yes	February 17, 2019
	Jamesport SRD Daviess County	Yes	February 4, 2019
	K.A.W. FPD	Yes	June 7, 2019
	Lock Springs SRD Daviess County	Yes	May 22, 2019
	PWSD 1 Daviess County	Yes	June 25, 2019
	PWSD 3 Daviess County	Yes	June 4, 2019
DeKalb	Central DeKalb County FPD	No	
	Clarksdale FPD	No	
	Osborn FPD	Yes	June 7, 2019
	PWSD 1 DeKalb County	Yes	March 13, 2019
	Stewartsville FPD	No	
	Union Star FPD	No	
Dent	Dent County FPD	Yes	March 7, 2019
	Dent County Health Center	Yes	January 29, 2019
	PWSD 1 Dent County	No	
Douglas	Ava Ambulance District	Yes	May 16, 2019
	Douglas County Health Department	No	
	Douglas County Library District	Yes	January 25, 2019
Dunklin	Consolidated DD 1 Dunklin County	Yes	April 26, 2019
	Drainage District 12 Dunklin County	Yes	June 18, 2019
	Drainage District 23 Dunklin County	Yes	June 18, 2019
	Drainage District 25 Dunklin County	Yes	June 18, 2019
	Drainage District 48 Dunklin County	Yes	June 18, 2019
	Dunklin County Ambulance District	Yes	June 28, 2019
	Dunklin County Health Department	Yes	January 15, 2019
	Dunklin County Library District	No	
	Levee District 4 Dunklin County	Yes	June 18, 2019
Dunklin	Levee District 7 Dunklin County	Yes	June 18, 2019
	PWSD 1 Dunklin County	No	
	PWSD 2 Dunklin County	No	
	PWSD 3 Dunklin County	No	
	Senath Commercial Street CID	No	
Franklin	Beaufort-Leslie FPD	Yes	May 16, 2019
	Boles FPD	Yes	March 27, 2019
	Calvey Creek Sewer District	Yes	April 18, 2019
	Crestview Sewer District	Yes	May 23, 2019
	Gerald Ambulance District	No	
	Gerald-Rosebud FPD	Yes	January 15, 2019
	Highway 100 CID	Yes	April 2, 2019
	Interstate 44 & Highway 47 TDD	No	
	Labadie Creek Watershed SwrD	Yes	April 18, 2019

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	Labadie Levee District	No	
	Meramec Ambulance District	Yes	June 25, 2019
	New Haven Ambulance District	Yes	May 20, 2019
	New Haven-Berger FPD	Yes	May 20, 2019
	Pacific FPD	Yes	February 14, 2019
	PWSD 1 Franklin County	Yes	June 24, 2019
	PWSD 4 Franklin County	No	
	St. Clair Ambulance District	Yes	June 19, 2019
	St. Clair FPD	Yes	May 1, 2019
	Sullivan FPD	Yes	June 3, 2019
	Sylvan Manor Sunset Acres SwrD	Yes	February 13, 2019
	Union Ambulance District	Yes	June 26, 2019
	Union FPD	Yes	June 6, 2019
	Washington Area Ambulance District	Yes	June 28, 2019
	Washington SRD Franklin County	Yes	May 22, 2019
Gasconade	Bland FPD	Yes	May 10, 2019
	Gasconade County 911 Board	Yes	January 16, 2019
	Gasconade County Health Department	Yes	January 14, 2019
	Gasconade Manor NHD	No	
	Hermann Area Ambulance District	Yes	June 28, 2019
	Hermann Area Hospital District	Yes	May 1, 2019
	Morrison Levee District	No	
	Morrison SRD 4 Gasconade County	Yes	February 13, 2019
	Owensville Ambulance District	Yes	June 28, 2019
	PWSD 1 Gasconade County	Yes	April 9, 2019
Gentry	Gentry County 911 Board	Yes	May 10, 2019
	Gentry County Library District	Yes	January 29, 2019
	King City FPD	No	
	McFall FPD	No	
	PWSD 1 Gentry County	Yes	April 9, 2019
Greene	Ash Grove FPD	No	
	Battlefield FPD	Yes	April 24, 2019
	Bois D'Arc FPD	No	
Greene	Brookline FPD	Yes	January 15, 2019
	Ebenezer FPD	No	
	Fair Grove FPD	Yes	January 24, 2019
	Glenstone & East Kearney TDD	Yes	June 28, 2019
	Logan-Rogersville FPD	Yes	January 18, 2019
	PWSD 1 Greene County	Yes	June 17, 2019
	PWSD 6 Greene County	No	
	Southern Hills CID Greene County	Yes	May 13, 2019
	Strafford Plaza CID	Yes	January 13, 2019
	Strafford Volunteer FPD	Yes	June 30, 2019
	Walnut Grove FPD	Yes	February 14, 2019

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	West Republic FPD	Yes	January 15, 2019
	Willard FPD	Yes	May 1, 2019
Grundy	Galt FPD	Yes	June 28, 2019
	Grundy County Health Department	Yes	January 11, 2019
	Grundy County Rural FPD	No	
	Jewett Norris-Grundy County PLD	No	
	Laredo FPD	No	
	PWSD 1 Grundy County	Yes	April 22, 2019
	Spickard FPD	Yes	April 5, 2019
	Spickard SRD Grundy County	Yes	February 19, 2019
Harrison	Bethany 136 CID	Yes	April 23, 2019
	Cainsville FPD	Yes	February 15, 2019
	Gilman City FPD	No	
	Harrison County Health Department	Yes	January 9, 2019
	New Hampton FPD	Yes	January 31, 2019
	Noel Adams Ambulance District	Yes	February 20, 2019
	North Harrison Ambulance District	Yes	April 10, 2019
	North Harrison FPD	No	
	PWSD 1 Harrison County	No	
	PWSD 2 Harrison County	Yes	June 27, 2019
	Ridgeway FPD	Yes	April 6, 2019
Henry	Bethlehem SRD 2 Henry County	Yes	January 18, 2019
	Clinton Country Club SRD Henry County	Yes	January 31, 2019
	Deerfield Creek SRD Henry County	No	
	Fields Creek SRD 1 Henry County	Yes	January 15, 2019
	Henry County 911 Board	Yes	May 30, 2019
	Henry County Health Center	No	
	Henry County Library District	Yes	February 26, 2019
	Honey Creek SRD 1 Henry County	Yes	January 30, 2019
	Montrose SRD Henry County	Yes	February 19, 2019
	Mt. Hope SRD Henry County	No	
	Osage SRD 1 Henry County	Yes	January 25, 2019
	PWSD 3 Henry County	Yes	April 18, 2019
	Shawnee SRD 1 Henry County	Yes	June 30, 2019
	Tightwad FPD	Yes	May 9, 2019
	Wagner SRD Henry County	Yes	January 31, 2019
Henry	Windsor Ambulance District	No	
	Windsor SRD Henry County	Yes	February 5, 2019
Hickory	Hickory County Health Department	No	
	Hickory County Library District	Yes	April 12, 2019
	PWSD 2 Hickory County	No	
Holt	Bigelow Independent SRD Holt County	Yes	May 14, 2019
	Corning SRD Holt County	No	
	Drainage District 2 Holt County	No	

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	Fortescue SRD Holt County	Yes	March 7, 2019
	Levee District 10 Holt County	Yes	March 8, 2019
	Levee District 4 Holt County	No	
	Levee District 7 Holt County	Yes	January 31, 2019
	Levee District 9 Holt County	Yes	March 7, 2019
	Maitland Volunteer FPD	Yes	May 8, 2019
	Northwest Holt County FPD	No	
	S Union Twsp Independent SRD Holt	No	
	Southern FPD of Holt County	Yes	June 25, 2019
Howard	Armstrong FPD	Yes	January 15, 2019
	Armstrong SRD Howard County	Yes	January 11, 2019
	Bonne Femme Levee District 1	Yes	January 29, 2019
	Consolidated PWSD 1 Howard County	No	
	D&LD 2 Howard County	Yes	January 29, 2019
	Drainage District 1 Howard County	Yes	February 2, 2019
	Glasgow SRD 60 Howard County	Yes	March 21, 2019
	Glasgow Volunteer FPD	No	
	Howard County Regional Water Commission	Yes	June 20, 2019
	Howard County 911 Board	Yes	March 11, 2019
	Howard County Ambulance District	No	
	Howard County FPD	Yes	January 23, 2019
	Howard County Library District	Yes	March 14, 2019
	Levee District 3 Howard County	Yes	January 29, 2019
	Levee District 4 Howard County	Yes	January 29, 2019
	Levee District 6 Howard County	Yes	March 20, 2019
	Levee District 7 Howard County	No	
	Moniteau Creek WSD	No	
	PWSD 2 Howard County	Yes	May 9, 2019
Howell	Brandsville FPD	Yes	March 19, 2019
	Howell County 911 Board	Yes	May 31, 2019
	Howell County Health Department	Yes	June 27, 2019
	Howell County Rural FPD 1	Yes	May 15, 2019
	Pomona FPD	Yes	June 27, 2019
	Pumpkin Center FPD	Yes	January 29, 2019
	PWSD 1 Howell County	Yes	June 10, 2019
	PWSD 3 Howell County	Yes	May 2, 2019
	South Howell Ambulance District	Yes	June 20, 2019
	Willow Springs Ambulance District	Yes	June 28, 2019
	Willow Springs Library District	No	
Iron	Iron County 911 Board	Yes	April 23, 2019
	Iron County Ambulance District	Yes	April 23, 2019
	Iron County Health Department	Yes	February 11, 2019
	Ozark Regional Library District	Yes	February 6, 2019
	Pilot Knob FPD	No	

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	Quad County FPD	Yes	April 22, 2019
	Southern Iron County FPD	Yes	April 23, 2019
Jackson	1200 Main/South Loop TDD	Yes	June 17, 2019
	71 Highway & 150 Highway TDD	Yes	May 3, 2019
	9th & Central CID	No	
	Bi-State Commission	No	
	Bridgewood Plaza CID	Yes	June 26, 2019
	Country Club Plaza TDD	Yes	June 28, 2019
	Douglas Square TDD	Yes	April 23, 2019
	Douglas Station TDD	Yes	April 18, 2019
	Grain Valley Marketplace CID	Yes	May 10, 2019
	Grandview Crossing CID	No	
	Harry Truman Drive TDD	Yes	June 27, 2019
	I-470 & 350 TDD	Yes	June 28, 2019
	I-70 & Adams Dairy Parkway TDD	Yes	June 27, 2019
	Inter City FPD	Yes	April 21, 2019
	Lake Lotawana CID	Yes	January 14, 2019
	Lone Jack Community FPD	Yes	May 23, 2019
	Lotawana FPD	Yes	June 28, 2019
	M150 & 135th Street TDD	Yes	June 28, 2019
	New Longview CID	No	
	New Longview TDD	Yes	May 7, 2019
	Prairie Township FPD	Yes	June 4, 2019
	PWSD 12 Jackson County	Yes	June 5, 2019
	PWSD 13 Jackson County	Yes	June 12, 2019
	PWSD 15 Jackson County	Yes	June 20, 2019
	PWSD 16 Jackson County	Yes	June 10, 2019
	Raintree Lake Village TDD	Yes	April 23, 2019
	Raintree North TDD	Yes	June 27, 2019
	Ritter Plaza CID	No	
	Streets of West Pryor TDD	No	
	Strother Interchange TDD	Yes	June 27, 2019
	Truman Road TDD	No	
	Village of Grain Valley CID	Yes	January 30, 2019
Jasper	Asbury FPD	Yes	May 31, 2019
	Carl Junction FPD	Yes	June 29, 2019
	Carl Junction SRD Jasper County	Yes	March 18, 2019
	Carthage FPD	Yes	May 1, 2019
	Central Jasper County FPD	Yes	June 25, 2019
	Duenweg Volunteer FPD	Yes	February 27, 2019
	Jasper County EMS Board	Yes	April 1, 2019
	Jasper Volunteer FPD	Yes	June 28, 2019
Jasper	Oronogo FPD	Yes	June 28, 2019
	Peachtree Village CID	Yes	March 26, 2019

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	PWSD 1 Jasper County	Yes	June 20, 2019
	PWSD 2 Jasper County	Yes	June 28, 2019
	Tri-Cities FPD	Yes	May 6, 2019
Jefferson	Big River Ambulance District	Yes	February 20, 2019
	Biltmore East CID	Yes	April 3, 2019
	Cedar Hill FPD	Yes	January 28, 2019
	De Soto Rural FPD	Yes	June 12, 2019
	Dunklin FPD	Yes	May 8, 2019
	Festus SRD Jefferson County	Yes	June 21, 2019
	Hematite FPD	Yes	June 11, 2019
	High Ridge Commons CID	Yes	April 24, 2019
	Highway 141/67 TDD	Yes	April 10, 2019
	Hillsboro FPD	Yes	January 17, 2019
	Hillsboro Lake Terrace TDD	Yes	April 10, 2019
	Huntington Glen CID	No	
	Jefferson County 911 Board	Yes	February 1, 2019
	Jefferson County Health Department	Yes	June 24, 2019
	Jefferson R-7 FPD	Yes	February 20, 2019
	Joachim-Plattin Ambulance District	Yes	May 8, 2019
	Lake Adelle Sewer District	Yes	June 30, 2019
	Mapaville FPD	Yes	May 15, 2019
	Northeast Public Sewer District	Yes	June 28, 2019
	Northwest Library Subdistrict	Yes	April 1, 2019
	PWSD 12 Jefferson County	Yes	June 27, 2019
	PWSD 2 Jefferson County	Yes	June 27, 2019
	PWSD 3 Jefferson County	Yes	June 19, 2019
	PWSD 5 Jefferson County	No	
	PWSD 6 Jefferson County	Yes	June 20, 2019
	PWSD 8 Jefferson County	Yes	May 20, 2019
	Ridgecrest TDD	Yes	April 10, 2019
	Rock Creek Public Sewer District	Yes	April 4, 2019
	Rock Township Ambulance District	Yes	February 21, 2019
	Saline Valley FPD	Yes	March 26, 2019
	Springdale CID	Yes	April 8, 2019
	Truman Boulevard TDD	Yes	April 3, 2019
	Winding Bluffs CID	No	
	Windsor-Fox Library Subdistrict	Yes	April 1, 2019
Johnson	Hawthorne Development TDD	Yes	June 20, 2019
	Johnson County Ambulance District	Yes	June 21, 2019
	Johnson County EMS Board	Yes	June 27, 2019
	Johnson County FPD	Yes	June 20, 2019
	Johnson County FPD 2	No	
	Knob Noster Ninth Street CID	No	
	PWSD 1 Johnson County	Yes	January 7, 2019

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	PWSD 2 Johnson County	Yes	February 26, 2019
Johnson	PWSD 3 Johnson County	Yes	June 28, 2019
	Western Missouri Medical Center	Yes	June 26, 2019
Knox	Knox County Ambulance District	Yes	June 24, 2019
	Knox County Health Department	Yes	January 11, 2019
Laclede	Bennett Spring FPD	Yes	May 7, 2019
	Competition Volunteer FPD	Yes	May 9, 2019
	Conway SRD 2 Laclede County	Yes	February 19, 2019
	Laclede County Health Department	Yes	January 16, 2019
	Lebanon Rural FPD	Yes	June 23, 2019
	Lebanon-Laclede County PLD	Yes	March 25, 2019
	Nebo Falcon FPD	No	
	Phillipsburg SRD 3 Laclede County	Yes	May 31, 2019
	PWSD 1 Laclede County	Yes	June 30, 2019
	PWSD 2 Laclede County	Yes	June 5, 2019
	PWSD 3 Laclede County	Yes	April 25, 2019
Lafayette	Consolidated PWSD 2 Lafayette County	Yes	May 24, 2019
	Higginsville FPD	Yes	March 4, 2019
	Lafayette County Health Department	Yes	June 13, 2019
	Mayview FPD	Yes	June 28, 2019
	Odessa Fire & Rescue Protection	Yes	May 16, 2019
	Wellington-Napoleon R-IX RRD	Yes	January 16, 2019
Lawrence	Aurora Rural FPD	No	
	Aurora SRD Lawrence County	No	
	Buck Prairie SRD Lawrence County	Yes	June 5, 2019
	Freistatt FPD	No	
	Freistatt SRD Lawrence County	Yes	January 20, 2019
	Green Benefit SRD Lawrence County	Yes	June 26, 2019
	Midway Benefit SRD Lawrence County	Yes	February 25, 2019
	Miller Benefit SRD Lawrence County	Yes	June 26, 2019
	Miller Rural FPD	No	
	Mt. Pleasant Benefit SRD Lawrence County	Yes	April 22, 2019
	Mt. Vernon Ambulance District	No	
	Mt. Vernon Benefit SRD Lawrence County	Yes	January 16, 2019
	Mt. Vernon FPD	Yes	May 31, 2019
	Pierce Benefit SRD Lawrence County	No	
	Pierce City FPD	Yes	June 2, 2019
	Red Oak Benefit SRD Lawrence County	No	
	Stotts City FPD	No	
	Verona Benefit SRD Lawrence County	Yes	June 23, 2019
	Vineyard Benefit SRD Lawrence	No	
Lewis	Buck & Doe Run Creeks WSD	Yes	January 25, 2019
	Canton R-V FPD	Yes	June 13, 2019
	Durgens Creek Watershed Subdistrict	Yes	January 28, 2019

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Ewing-Maywood R-4 FPD	Yes	June 4, 2019
	Grassy Creek Watershed Subdistrict	Yes	February 4, 2019
	Lewis County 911 Board	Yes	February 13, 2019
	Lewis County Ambulance District	Yes	June 26, 2019
Lewis	Lewis County Health Department	No	
	PWSD 1 Lewis County	No	
	Troublesome Creek WSD	Yes	January 25, 2019
	Western Lewis County FPD	No	
Lincoln	Clarence Cannon Memorial WSD	Yes	March 11, 2019
	Elsberry FPD	Yes	February 20, 2019
	Elsberry SRD Lincoln County	Yes	January 24, 2019
	Hawk Point FPD	Yes	May 31, 2019
	Highway 61/State Highway U TDD	Yes	April 17, 2019
	Lincoln County Ambulance District	Yes	June 20, 2019
	Lincoln County FPD	Yes	June 21, 2019
	Lincoln County Memorial Hospital	Yes	May 21, 2019
	Northwest FPD Lincoln County	No	
	Old Monroe FPD	No	
	PWSD 1 Lincoln County	Yes	June 13, 2019
	PWSD 2 Lincoln County	Yes	June 24, 2019
	Winfield-Foley FPD	Yes	June 27, 2019
Linn	Consolidated PWSD 1 Linn County	Yes	January 11, 2019
	Laclede Community FPD	Yes	March 20, 2019
	Linn County 911 Board	No	
	Linn County Ambulance District	Yes	June 24, 2019
	Linn County Health Department	Yes	February 27, 2019
	Marceline Carnegie Library District	Yes	March 6, 2019
	Marceline SRD Linn County	Yes	February 11, 2019
	Meadville FPD	Yes	January 10, 2019
	Purdin SRD Linn County	No	
	PWSD 3 Linn County	No	
	PWSD 3 Linn-Livingston County	Yes	May 17, 2019
Livingston	Livingston County Health Center	Yes	January 29, 2019
	Livingston County Memorial PLD	Yes	March 14, 2019
	Livingston County NHD	Yes	March 26, 2019
	Mooresville Township FPD	Yes	April 17, 2019
	PWSD 1 Livingston County	Yes	June 21, 2019
	PWSD 2 Livingston County	Yes	May 9, 2019
	PWSD 3 Livingston County	No	
	PWSD 4 Livingston County	Yes	April 22, 2019
Macon	Bevier FPD	Yes	June 5, 2019
	La Plata Community FPD	Yes	January 19, 2019
	La Plata NHD	Yes	May 29, 2019
	Macon County 911 Board	Yes	February 11, 2019

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	Macon County Ambulance District	No	
	Macon County Health Department	Yes	January 23, 2019
	PWSD 1 Macon County	Yes	April 22, 2019
	Samaritan Memorial Hospital	Yes	May 24, 2019
Madison	Madison County Ambulance District	No	
	Madison County Health Department	Yes	January 23, 2019
Maries	Belle FPD	No	
Maries	Belle SRD 6 Maries-Osage County	No	
	Maries-Osage Ambulance District	Yes	January 23, 2019
	Ozark Central Ambulance District	Yes	June 20, 2019
	Vienna Volunteer FPD	Yes	March 5, 2019
Marion	Marion County 911 Board	Yes	February 13, 2019
	Marion County Ambulance District	Yes	June 28, 2019
	Marion County Health Department	Yes	January 25, 2019
	Marion County Library Subdistrict 1	No	
	Marion County NHD	No	
	Palmyra FPD	Yes	April 8, 2019
	PWSD 1 Marion County	Yes	February 21, 2019
	South River Drainage District	Yes	March 19, 2019
	SZC Development District, Inc. CID	Yes	June 25, 2019
McDonald	Goodman Area FPD	Yes	June 10, 2019
	McDonald County 911 Board	Yes	March 25, 2019
	McDonald County Library District	Yes	June 19, 2019
	PWSD 1 McDonald County	Yes	January 27, 2019
	PWSD 3 McDonald County	Yes	June 28, 2019
Mercer	Mercer County Ambulance District	Yes	January 23, 2019
	Mercer County Extension District	Yes	March 28, 2019
	Mercer County FPD	No	
	Mercer County Health Department	No	
	Mercer County Library District	No	
	Mercer FPD	Yes	January 11, 2019
	PWSD 1 Mercer County	No	
Miller	Bagnell SRD Miller County	Yes	June 19, 2019
	Brumley FPD	Yes	June 28, 2019
	Eagles Landing CID	No	
	Heartland Regional Library District	Yes	March 20, 2019
	Horseshoe Bend TDD	Yes	June 14, 2019
	Iberia Rural FPD	No	
	Isla Del Sol CID	Yes	June 3, 2019
	Kaiser SRD Miller County	Yes	May 31, 2019
	Lake Ozark FPD	Yes	June 27, 2019
	Lake Ozark-Osage Beach SwrD	Yes	June 18, 2019
	Miller County Ambulance District	Yes	June 20, 2019
	Miller County Health Center	Yes	February 20, 2019

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	Moreau FPD	Yes	June 20, 2019
	Prewitt Point TDD	Yes	June 27, 2019
	St. Elizabeth FPD	Yes	March 1, 2019
	Tuscumbia FPD	No	
Mississippi	Big Lake Drainage District	Yes	May 28, 2019
	Mississippi Ambulance District	No	
	Mississippi County Health	Yes	June 13, 2019
	Mississippi County Library District	No	
	Mississippi/Scott County FPD	Yes	February 7, 2019
Moniteau	California Rural FPD	Yes	June 5, 2019
Moniteau	Fortuna FPD	No	
	Jamestown Rural FPD	Yes	March 19, 2019
	Moniteau County 911 Board	Yes	January 8, 2019
	Moniteau County Health Center	No	
	Moniteau County Library District	Yes	March 18, 2019
	PWSD 1 Moniteau County	Yes	April 9, 2019
	PWSD 2 Moniteau County	Yes	February 26, 2019
Monroe	Madison-West Monroe FPD	No	
	Monroe County Ambulance District	Yes	June 28, 2019
	Monroe County Health Department	Yes	January 15, 2019
	Monroe County NHD	No	
	Paris Rural FPD	Yes	June 24, 2019
Montgomery	Bellflower FPD	No	
	Big Spring FPD	Yes	June 8, 2019
	Jonesburg-High Hill FPD	Yes	May 7, 2019
	Middletown Community FPD	No	
	Montgomery Ambulance District	Yes	April 25, 2019
	Montgomery County Health Department	Yes	January 14, 2019
	Montgomery Volunteer FPD	No	
	New Florence FPD	Yes	June 6, 2019
	Rhineland Bottom SRD Montgomery County	Yes	May 16, 2019
	Wellsville SRD Montgomery County	Yes	March 27, 2019
Morgan	Barnett SRD 3 Morgan County	Yes	June 20, 2019
	Gravois Arm Sewer District	Yes	June 30, 2019
	Gravois FPD	Yes	June 19, 2019
	Gravois SRD 8 Morgan County	Yes	March 5, 2019
	Morgan County Health Center	Yes	February 27, 2019
	Morgan County Library District	No	
	PWSD 2 Morgan County	Yes	March 20, 2019
	Rocky Mount FPD	Yes	June 19, 2019
	Stover Rural FPD	Yes	February 20, 2019
	Versailles Rural FPD	Yes	February 18, 2019
New Madrid	Drainage District 39 New Madrid County	No	
	Drainage District 41 New Madrid County	Yes	December 27, 2018

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Lilbourn Highway D CID	No	
	New Madrid Ambulance District	Yes	May 31, 2019
	New Madrid County Health Department	Yes	March 12, 2019
	New Madrid County Library District	Yes	April 30, 2019
	PWSD 2 New Madrid County	Yes	May 31, 2019
	PWSD 4 New Madrid County	No	
	PWSD 5 New Madrid County	Yes	January 11, 2019
Newton	Diamond Area FPD	No	
	Diamond SRD Newton County	Yes	May 29, 2019
	East Newton Area FPD	Yes	June 28, 2019
	Fairview SRD Newton County	Yes	June 27, 2019
	Highway 166 CID	Yes	March 5, 2019
	Midway FPD	No	
Newton	Midway SRD Newton County	No	
	Neosho Area FPD	Yes	June 27, 2019
	Neosho Developers CID	Yes	March 29, 2019
	Neosho SRD Newton County	Yes	May 30, 2019
	Neosho TDD	No	
	Neosho-Newton County PLD	Yes	April 1, 2019
	Newton County Ambulance District	Yes	January 16, 2019
	Newton County Health Department	Yes	January 8, 2019
	PWSD 1 Newton County	Yes	June 13, 2019
	Redings Mill FPD	No	
	Seneca Area FPD	No	
	Seneca SRD Newton County	Yes	June 28, 2019
Nodaway	Clearmont FPD	No	
	Elmo Area FPD	No	
	Graham FPD	Yes	June 18, 2019
	Hopkins FPD	No	
	Jackson Township FPD	Yes	May 8, 2019
	Nodaway County Ambulance District	Yes	January 21, 2019
	Nodaway County Health Center	Yes	January 23, 2019
	Parnell FPD	Yes	March 19, 2019
	Polk Rural FPD	No	
	PWSD 1 Nodaway County	Yes	June 28, 2019
	Skidmore FPD	Yes	May 31, 2019
	Union Township FPD	No	
Oregon	Oregon County Ambulance District	Yes	May 21, 2019
	Oregon County Health Department	Yes	January 22, 2019
	Oregon County Library District	Yes	January 17, 2019
	Thayer SRD Oregon County	Yes	January 17, 2019
Osage	Chamois Volunteer FPD	No	
	Lake Drainage District 1	Yes	January 3, 2019
	Linn FPD	Yes	May 5, 2019

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	Osage Ambulance District	Yes	May 3, 2019
	PWSD 1 Osage County	Yes	February 4, 2019
	PWSD 2 Osage County	Yes	June 25, 2019
	PWSD 3 Osage County	Yes	January 24, 2019
	PWSD 4 Osage County	No	
Ozark	Ozark County Health Center	Yes	June 11, 2019
	PWSD 1 Ozark County	Yes	May 13, 2019
Pemiscot	Pemiscot County Health Center	No	
	Pemiscot County Memorial Hospital	No	
	Steele Highway 61 CID	No	
Perry	Perry County Health Department	No	
	Perryville Highway 61 & 51 CID	No	
	PWSD 1 Perry County	No	
	PWSD 2 Perry County	Yes	May 9, 2019
Pettis	Pettis County Ambulance District	Yes	June 21, 2019
	Pettis County FPD 1	Yes	June 30, 2019
Pettis	Pettis County Health Center	Yes	June 24, 2019
	PWSD 1 Pettis-Johnson-Saline County	No	
Phelps	Doolittle Rural FPD	Yes	June 27, 2019
	Duke Rural FPD	No	
	Edgar Springs Rural Volunteer FPD	No	
	Phelps County Regional Medical Center	Yes	May 31, 2019
	Phelps County 911 Board	No	
	PWSD 1 Phelps County	Yes	June 3, 2019
	PWSD 2 Phelps County	Yes	June 20, 2019
	PWSD 4 Phelps County	Yes	February 5, 2019
	Rolla Rural FPD	No	
	St. James Ambulance District	No	
	St. James FPD	Yes	March 18, 2019
Pike	Buffalo Township FPD	No	
	Curryville Volunteer FPD	Yes	December 30, 2018
	Eolia Community FPD	No	
	Louisiana SRD 3 Pike County	No	
	Pike County Health Department	No	
Platte	9 Highway Corridor CID	Yes	June 20, 2019
	Blair Heights Sewer District	Yes	June 19, 2019
	Camden Point FPD	No	
	Central Platte FPD	Yes	January 3, 2019
	Clemstone Sewer District	Yes	June 10, 2019
	Creekside CID	No	
	Dearborn Area FPD	Yes	February 24, 2019
	Drainage District 1 Platte County	Yes	May 30, 2019
	Edgerton-Trimble FPD	No	
	Farley SRD Platte County	Yes	May 30, 2019

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	Meadows at Creekside CID	No	
	Northland Regional AD	Yes	June 19, 2019
	Park Plaza TDD	Yes	June 27, 2019
	Parkville Commons TDD	Yes	February 14, 2019
	Parkville Market Place #2 CID	Yes	May 31, 2019
	Parkville Market Place CID	Yes	May 31, 2019
	Parkville Old Towne CID	Yes	March 20, 2019
	Parkville SRD Platte County	Yes	May 30, 2019
	PC-I CID	Yes	February 14, 2019
	Platte City SRD Platte County	Yes	May 30, 2019
	Platte County Regional Sewer District	Yes	June 28, 2019
	Platte County Health Department	Yes	June 27, 2019
	Platte County Missouri South TDD I	Yes	June 29, 2019
	Platte County Missouri South TDD II	Yes	June 29, 2019
	Platte Valley Plaza TDD	Yes	June 27, 2019
	PWSD 2 Platte County	Yes	March 27, 2019
	PWSD 4 Platte County	Yes	June 29, 2019
	PWSD 7 Platte County	No	
	PWSD 8 Platte County	No	
Platte	Smithville Area FPD	No	
	Southern Platte Ambulance District	Yes	April 17, 2019
	Southern Platte FPD	Yes	June 20, 2019
	Tremont Square TDD	Yes	June 27, 2019
	Tuileries Plaza TDD	Yes	April 23, 2019
	Village of Green Hills TDD	Yes	June 27, 2019
	Waldron Levee District	No	
	Weatherby Lake FPD	Yes	June 17, 2019
	West Platte FPD	Yes	February 7, 2019
	Weston SRD Platte County	Yes	March 24, 2019
Polk	Blue Mound SRD Polk County	Yes	February 13, 2019
	Bolivar SRD Polk County	No	
	Central Polk County FPD	Yes	March 20, 2019
	Flemington SRD Polk County	Yes	February 15, 2019
	Humansville SRD Polk County	Yes	February 7, 2019
	Morrisville FPD	No	
	Pleasant Hope FPD	Yes	June 22, 2019
	Polk County 911 Board	No	
	Polk County Health Center	No	
	Polk County Library District	No	
	Prairie Heights Area Common SwrD	No	
	Southwest SRD Polk County	Yes	March 6, 2019
Pulaski	Bowman TDD	No	
	Crocker Highway 17 CID	No	
	Crocker Rural FPD	No	

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Dixon Ambulance District	No	
	Dixon Rural FPD	No	
	Ehrhardt Properties TDD	Yes	June 26, 2019
	Farris Family TDD	No	
	Hazelgreen FPD	No	
	Interstate Plaza/North Town Village TDD	No	
	Liberty Commons CID	Yes	February 8, 2019
	Plattner CID	Yes	June 25, 2019
	Pulaski County 911 Board	Yes	January 23, 2019
	Pulaski County Ambulance District	Yes	March 14, 2019
	Pulaski County Health Department	No	
	Pulaski County Library District	Yes	April 17, 2019
	Pulaski County Sewer District	No	
	PWSD 1 Pulaski County	Yes	April 5, 2019
	PWSD 2 Pulaski County	Yes	June 27, 2019
	Waynesville Rural FPD	No	
	Westgate CID	Yes	April 24, 2019
Putnam	Elm Township FPD	Yes	January 22, 2019
	Grant Township FPD	No	
	Lake Thunderhead SRD Putnam County	Yes	March 25, 2019
	Liberty Township FPD	Yes	February 15, 2019
	Putnam County Ambulance District	No	
Putnam	Putnam County E-911 Board	Yes	March 14, 2019
	Putnam County Health Department	Yes	January 8, 2019
	Putnam County Library District	Yes	June 19, 2019
	Unionville SRD Putnam County	No	
	York Township Volunteer FPD	Yes	February 14, 2019
Ralls	Hannibal Rural FPD	Yes	June 25, 2019
	PWSD 1 Ralls County	Yes	June 26, 2019
	Ralls County 911 Board	Yes	February 13, 2019
	Ralls County Ambulance District 3	Yes	June 27, 2019
	Ralls County Health Department	No	
	Ralls County Library District	Yes	February 1, 2019
Randolph	Eastern Randolph Rural FPD	No	
	Higbee Area FPD	No	
	Little Dixie Regional PLD	Yes	April 10, 2019
	Northeast R-IV Rural FPD	No	
	Randolph County Ambulance District	Yes	June 27, 2019
	Randolph County Health Department	Yes	February 15, 2019
	Southeastern Randolph FPD	No	
	Thomas Hill PWSD 1 Randolph County	Yes	April 1, 2019
	Westran FPD	No	
Ray	City of Crystal Lakes SRD Ray County	Yes	May 30, 2019
	Consolidated PWSD 2 Ray County	Yes	June 28, 2019

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Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Crooked River Drainage District	No	
	Drainage District Ray County	Yes	January 18, 2019
	Egypt Levee District	Yes	January 21, 2019
	Hardin FPD	Yes	March 4, 2019
	Hardin SRD Ray County	No	
	Hardin-Oak Grove Drainage District	No	
	Henrietta-Crooked River D&LD	Yes	April 2, 2019
	Lawson Community Fire & Rescue	Yes	June 26, 2019
	Levee District 1 Ray County	No	
	Levee District 5 Ray County	No	
	Missouri Valley D&LD	Yes	January 30, 2019
	Orrick FPD	No	
	PWSD 1 Ray County	No	
	Ray County Health Department	No	
	Ray County Library District	Yes	May 29, 2019
	Richmond FPD	No	
	Stet Rural FPD	Yes	June 27, 2019
	Tri-County Drainage District	No	
	Wood Heights FPD	Yes	June 19, 2019
Reynolds	Garwood FPD	No	
	Northern Reynolds County FPD	Yes	March 18, 2019
	PWSD 1 Reynolds County	Yes	January 11, 2019
	Reynolds County 911 Board	No	
	Reynolds County Ambulance District	Yes	June 4, 2019
	Reynolds County Health Center	No	
Reynolds	Reynolds County Library District	Yes	June 24, 2019
Ripley	Bennett SRD Ripley County	Yes	January 28, 2019
	Current River SRD Ripley County	Yes	January 28, 2019
	Doniphan SRD Ripley County	No	
	Fairdealing SRD Ripley County	Yes	January 28, 2019
	Flatwoods SRD Ripley County	Yes	January 28, 2019
	Jordan SRD Ripley County	Yes	January 28, 2019
	Little Black SRD Ripley County	Yes	January 28, 2019
	Logan Creek SRD Ripley County	Yes	January 28, 2019
	Mabrey Bay SRD Ripley County	Yes	January 28, 2019
	Naylor Drainage District	No	
	Naylor SRD Ripley County	Yes	January 28, 2019
	Oxly SRD Ripley County	Yes	January 28, 2019
	Pine Bardley SRD Ripley County	Yes	January 28, 2019
	Ponder Gatewood SRD Ripley County	Yes	January 28, 2019
	Poynor SRD Ripley County	Yes	January 28, 2019
	Pratt SRD Ripley County	Yes	January 28, 2019
	Purman SRD Ripley County	No	
	PWSD 1 Ripley County	Yes	June 28, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	PWSD 2 Ripley County	Yes	June 10, 2019
	Ripley County Public Health Center	Yes	May 30, 2019
	Running Water SRD Ripley County	Yes	January 28, 2019
	Tucker Bay SRD Ripley County	Yes	January 28, 2019
	Wolfe Creek SRD Ripley County	Yes	January 28, 2019
Saline	Blackburn Elmwood SRD Saline County	Yes	January 31, 2019
	Cole Lake Drainage District 2	Yes	March 15, 2019
	Fish Creek Reorganized DD	Yes	January 29, 2019
	Gilliam SRD Saline County	Yes	March 11, 2019
	Grand Pass SRD Saline County	Yes	February 25, 2019
	Levee District 2 Saline County	Yes	January 31, 2019
	Malta Bend FPD	Yes	March 31, 2019
	Malta Bend Levee District	Yes	March 31, 2019
	Malta Bend SRD Saline County	Yes	March 15, 2019
	Marshall SRD Saline County	Yes	February 15, 2019
	PWSD 1 Saline County	Yes	January 23, 2019
	PWSD 2 Saline County	Yes	May 8, 2019
	PWSD 3 Saline County	Yes	June 24, 2019
	Saline County 911 Board	Yes	May 17, 2019
	Saline County Ambulance District 3	Yes	February 27, 2019
	Saline County Health Department	Yes	June 25, 2019
	Saline County Rural FPD	No	
	Saline-Lafayette Levee District	Yes	February 14, 2019
	Slater Ambulance District 1	Yes	June 28, 2019
	Slater Rural FPD	No	
	Slater SRD Saline County	Yes	January 23, 2019
	Sweet Springs Ambulance District	Yes	May 28, 2019
	Sweet Springs SRD Saline County	Yes	January 15, 2019
Saline	West Central FPD	Yes	April 22, 2019
	West Glasgow Levee District	Yes	December 12, 2018
Schuyler	Consolidated PWSD 1 Schuyler County	Yes	June 12, 2019
	Schuyler County Health Department	Yes	February 5, 2019
	Schuyler County Library District	Yes	June 14, 2019
Scotland	Bear Creek Watershed Subdistrict	No	
	Consolidated PWSD 1 Scotland County	No	
	Scotland County Ambulance District	Yes	June 19, 2019
	Scotland County Health Department	No	
	Scotland County Library District	No	
Scott	NBC FPD	No	
	North Main/Malone TDD	Yes	January 14, 2019
	Oran FPD	No	
	PWSD 1 Scott County	No	
	PWSD 2 Scott County	Yes	March 2, 2019
	Scott County Health Department	Yes	February 11, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Scott County Rural FPD	No	
	Southern Scott Ambulance District	Yes	January 26, 2019
Shannon	Shannon County Ambulance District	No	
	Shannon County Health Department	No	
	Timber Community FPD	No	
Shelby	Salt River Ambulance District	Yes	May 7, 2019
	Salt River NHD	Yes	June 11, 2019
	Shelbina FPD	Yes	May 6, 2019
	Shelbina SRD Shelby County	Yes	May 22, 2019
	Shelby County Health Department	Yes	January 2, 2019
St. Charles	501 South Main Street CID	Yes	April 16, 2019
	Augusta FPD	Yes	April 30, 2019
	BaratHaven CID	Yes	June 24, 2019
	BaratHaven TDD	Yes	April 30, 2019
	Bear Creek CID	Yes	June 28, 2019
	Belleau CID	Yes	March 22, 2019
	Boscherts Landing TDD	No	
	Bryan Road CID	Yes	April 25, 2019
	Caledonia CID	Yes	April 25, 2019
	Central County Fire & Rescue	Yes	June 26, 2019
	Cottleville FPD	Yes	June 27, 2019
	Crown CID	Yes	February 26, 2019
	Crown TDD	Yes	February 26, 2019
	Dardenne Town Square TDD	Yes	June 24, 2019
	Darst Bottom Levee District	Yes	April 24, 2019
	Duckett Creek Sewer District	Yes	April 25, 2019
	Elm & 370 CID	Yes	April 23, 2019
	Elm Point Commons CID	Yes	April 23, 2019
	Fairgrounds Road CID	Yes	April 25, 2019
	First Capital Drive TDD	Yes	April 23, 2019
	Fountain Lakes Commerce Center North CID	Yes	May 10, 2019
St. Charles	Fountain Lakes Community Center South CID	No	
	Greens Bottom Drainage District	No	
	Hancock Drainage District	No	
	Hutchings Farm Plaza TDD	No	
	Kingsmill TDD	No	
	Lake St. Louis FPD	Yes	June 27, 2019
	Mark Twain Mall TDD	No	
	Megan Shoppes TDD	Yes	April 30, 2019
	Mexico Road TDD	Yes	June 27, 2019
	Mid Rivers/North TDD	Yes	April 23, 2019
	New Melle FPD	No	
	New Town at St. Charles	No	
	New Town at St. Charles II	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	O'Fallon FPD	Yes	June 24, 2019
	O'Fallon Retail Walk CID	Yes	June 24, 2019
	Old Town Cottleville CID	Yes	April 25, 2019
	Orchard Farm FPD	Yes	April 29, 2019
	Plaza at Noah's Ark CID	Yes	March 22, 2019
	Rivers Pointe FPD	Yes	May 13, 2019
	Salt Lick Road TDD	Yes	June 25, 2019
	St. Charles Ambulance District	Yes	June 28, 2019
	St. Charles Riverfront CID	No	
	St. Charles Riverfront TDD	No	
	Veterans Memorial Parkway CID	Yes	April 23, 2019
	Waterbury Storm Water CID	Yes	May 3, 2019
	Wentzville Bluffs CID	Yes	April 25, 2019
	Wentzville Commons Connector TDD	No	
	Wentzville FPD	Yes	June 21, 2019
	Wentzville II TDD	Yes	June 24, 2019
	Wentzville Industrial TDD	Yes	May 1, 2019
	Wentzville Parkway I TDD	Yes	June 25, 2019
	Wentzville TDD	Yes	June 20, 2019
	Wentzville Three TDD	Yes	June 24, 2019
	West Clay Extension CID	Yes	April 26, 2019
	West Pearce CID	Yes	April 2, 2019
	WingHaven TDD	Yes	June 24, 2019
St. Clair	Appleton City SRD St. Clair County	Yes	January 23, 2019
	Chloe SRD St. Clair County	No	
	Collins CID	No	
	Collins FPD	No	
	Collins SRD St. Clair County	No	
	Hillsdale SRD St. Clair County	Yes	June 27, 2019
	Iconium FPD	Yes	January 22, 2019
	Lowry City SRD St. Clair County	No	
	Osceola SRD St. Clair County	Yes	June 27, 2019
	Sac Osage FPD	No	
	St. Clair County Health Center	No	
St. Clair	St. Clair County Library District	Yes	January 30, 2019
	Vista SRD St. Clair County	Yes	June 27, 2019
St. Francois	Bismarck FPD	No	
	Doe Run FPD	No	
	Park Hills TDD	No	
	Pilot Knob Rural Water District	No	
	PWSD 1 St. Francois County	Yes	May 20, 2019
	PWSD 2 St. Francois County	Yes	June 24, 2019
	St. Francois Ambulance District	Yes	June 26, 2019
	St. Francois County 911 Board	Yes	March 26, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	St. Francois County Health Center	Yes	April 22, 2019
St. Louis	10100 Watson Road CID	Yes	April 25, 2019
	1030 Woodcrest Terrace Drive CID	No	
	1030 Woodcrest Terrace Drive TDD	No	
	12796 Manchester Road TDD	Yes	April 15, 2019
	370/MO Bottom Road/Taussig Road TDD	No	
	8750 Manchester Road CID	Yes	June 6, 2019
	Adie/St. Charles Rock Road CID	Yes	April 10, 2019
	Affton FPD	Yes	June 28, 2019
	Affton Plaza CID	Yes	June 28, 2019
	Ballwin Town TDD	Yes	June 28, 2019
	Big Bend Crossing TDD	Yes	April 30, 2019
	Black Jack FPD	Yes	June 24, 2019
	Brentwood Pointe TDD	Yes	June 25, 2019
	Brentwood Public Library District	No	
	Brentwood/Eager TDD	Yes	June 27, 2019
	Bridgeton NWP CID	Yes	April 15, 2019
	Bridgeton NWP TDD	Yes	April 15, 2019
	Castle Point Street Light District	Yes	May 20, 2019
	Centene Plaza TDD	No	
	Center at Kenrick Plaza CID	Yes	June 28, 2019
	Chambers/West Florissant CID	Yes	May 1, 2019
	Chesterfield Blue Valley CID	Yes	June 27, 2019
	Chesterfield Commons TDD	No	
	Chesterfield Valley TDD	Yes	June 27, 2019
	Clarkson Kehrs Mill TDD	Yes	June 28, 2019
	Colonial Marketplace CID	Yes	April 26, 2019
	Community FPD	Yes	June 27, 2019
	Crestwood Market CID	Yes	June 25, 2019
	Crestwood Point CID	Yes	June 27, 2019
	Crestwood Point TDD	Yes	June 24, 2019
	Crestwood Square CID	Yes	April 30, 2019
	Creve Coeur FPD	Yes	June 18, 2019
	Crossings CID	Yes	June 27, 2019
	Des Peres Corners TDD	Yes	June 24, 2019
	Dierbergs Des Peres TDD	Yes	June 25, 2019
	Ellisville Marketplace CID	Yes	June 7, 2019
St. Louis	Elm Grove TDD	Yes	June 26, 2019
	Elmwood Park Street Light District	No	
	Eureka Commercial Park TDD	Yes	April 30, 2019
	Eureka FPD	Yes	June 27, 2019
	Fenton FPD	Yes	June 19, 2019
	Florissant Valley FPD	Yes	June 25, 2019
	Fountain Plaza CID	Yes	June 26, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Francis Place TDD	Yes	June 28, 2019
	Glasgow Village SLD	Yes	January 8, 2019
	Grant Center CID	Yes	April 23, 2019
	Gravois Bluffs TDD	Yes	June 24, 2019
	Green Trails CID	Yes	April 8, 2019
	Hancock Street Light District	Yes	February 15, 2019
	Hanley Road Corridor TDD	Yes	June 19, 2019
	Hanley Station TDD	No	
	Hanley/Eager Road TDD	Yes	June 25, 2019
	Highway 367 & Parker Road TDD	Yes	May 21, 2019
	Hilltop CID	Yes	June 19, 2019
	Kenrick Plaza CID	Yes	June 24, 2019
	Kinloch FPD	Yes	April 23, 2019
	Koch Plaza TDD	Yes	April 23, 2019
	Lafayette Center CID	Yes	April 23, 2019
	Lemay CID	Yes	March 13, 2019
	Lemay FPD	Yes	June 11, 2019
	Lindbergh East Concord TDD	Yes	March 27, 2019
	Loop Trolley TDD	Yes	January 31, 2019
	Lormil Heights TDD	Yes	March 20, 2019
	Lucas & Hunt/Chandler TDD	Yes	May 13, 2019
	Manchester Highlands TDD	Yes	June 27, 2019
	Manchester/Ballas CID	Yes	June 24, 2019
	Market at McKnight TDD	Yes	June 24, 2019
	Maryland Heights FPD	Yes	May 28, 2019
	Maryland Oaks CID	No	
	Mayfair Plaza CID	No	
	Mehlville FPD	Yes	June 24, 2019
	Meramec Station Road & Highway 141 TDD	Yes	June 27, 2019
	Metro North FPD	Yes	June 26, 2019
	Metro West FPD	Yes	May 31, 2019
	Metro Zoological Park & Museum District	Yes	June 26, 2019
	Metropolitan Taxicab Commission	Yes	April 15, 2019
	Mid-County FPD St. Louis County	Yes	June 19, 2019
	Midwest Plaza CID	Yes	May 22, 2019
	Missouri Bottom Road CID	Yes	June 28, 2019
	Missouri Bottom Road TDD	Yes	June 28, 2019
	Monarch FPD	Yes	June 21, 2019
	Natural Bridge/St. Charles Rock Road CID	Yes	March 29, 2019
	NEWCO TDD	Yes	June 19, 2019
St. Louis	North Oaks Plaza Shopping Center CID	Yes	April 8, 2019
	North Outer Forty TDD	Yes	June 27, 2019
	Northeast Ambulance & FPD	No	
	NWP CID	Yes	April 10, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Old Dorsett Road CID	Yes	April 30, 2019
	Old Dorsett Road TDD	Yes	April 30, 2019
	Olive/Graeser TDD	No	
	Paddock Forest CID	Yes	April 8, 2019
	Pattonville FPD	Yes	June 27, 2019
	Pershall Road TDD	No	
	Riverview FPD	Yes	June 27, 2019
	Robertson FPD	Yes	June 27, 2019
	Robinwood West CID	Yes	June 8, 2019
	Seven Trails Drive TDD	Yes	June 26, 2019
	Shawneetown Acres CID	Yes	May 28, 2019
	Shoppes at Cross Keys TDD	Yes	May 13, 2019
	Shoppes at Hilltop TDD	Yes	April 23, 2019
	Shoppes at Old Webster TDD	Yes	April 5, 2019
	South Manchester TDD	Yes	April 23, 2019
	Spanish Lake FPD	Yes	June 19, 2019
	St. Charles Rock Road CID	Yes	June 27, 2019
	St. Charles Rock Road TDD	Yes	June 28, 2019
	St. Cyr Road TDD	Yes	June 27, 2019
	St. John Crossings TDD	Yes	June 26, 2019
	St. John's Church Road TDD	Yes	June 24, 2019
	St. Louis County Library District	Yes	May 29, 2019
	St. Louis Ice Center CID	Yes	June 10, 2019
	Station Plaza TDD	Yes	February 21, 2019
	Telegraph Crossing North CID	Yes	April 23, 2019
	Tori Pines Commons CID	No	
	Town & Country Crossing TDD	Yes	June 26, 2019
	University Place TDD	No	
	Upper West End Park CID	No	
	Valley Park FPD	Yes	June 25, 2019
	Victoria Crossing CID	Yes	June 27, 2019
	Viking Conference Center CID	Yes	April 25, 2019
	Watson-Laclede Station Road CID	Yes	March 13, 2019
	West County EMS & FPD	Yes	June 7, 2019
	West Overland EMS & FPD	Yes	June 25, 2019
	Westport Plaza I CID	Yes	April 30, 2019
	Westport Plaza II CID	No	
	Westport Plaza TDD	Yes	April 30, 2019
	Wheaton Cook Lyndhurst SLD	No	
St. Louis City	620 Market TDD	No	
	Adler Lofts TDD	No	
	Bottle District TDD	No	
	Broadway Carrie TDD	Yes	June 28, 2019
St. Louis City	Broadway Hotel TDD	Yes	April 30, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	CB 5421/5975 TDD	Yes	February 24, 2019
	Crowne Plaza TDD	Yes	June 20, 2019
	Euclid Buckingham TDD	Yes	June 10, 2019
	Hampton Berthold CID	Yes	January 29, 2019
	Hampton/Berthold TDD	Yes	January 29, 2019
	Highlands TDD	Yes	April 23, 2019
	Laclede's Landing CID	No	
	Laurel TDD	No	
	Meadows TDD	Yes	June 24, 2019
	Merchant's Laclede TDD	Yes	June 27, 2019
	Southtown TDD	Yes	April 24, 2019
	St. Louis Food Hub TDD	No	
	Tower Grove South Concerned Citizen SBD	No	
Ste. Genevieve	Ozora CID	Yes	April 24, 2019
	PWSD 1 Ste. Genevieve County	Yes	February 13, 2019
	Ste. Genevieve County Health	No	
	Ste. Genevieve County PLD	Yes	March 22, 2019
	Ste. Genevieve County SRD A	Yes	May 7, 2019
Stoddard	Bluff SRD Stoddard County	Yes	January 28, 2019
	Crowder Zeta SRD Stoddard County	Yes	April 1, 2019
	DD 1 Reform 7-13-33-14-17-19	Yes	February 13, 2019
	DD 4-5-6-8-12-15-23-36-37-38	No	
	Drainage District 28 Stoddard Co	Yes	January 18, 2019
	Dudley SRD Stoddard County	No	
	Gray Ridge SRD Stoddard County	Yes	February 28, 2019
	Lavalle SRD Stoddard County	Yes	February 13, 2019
	PWSD 3 Stoddard County	Yes	April 11, 2019
	PWSD 5 Stoddard County	Yes	April 24, 2019
	PWSD 6 Stoddard County	Yes	February 20, 2019
	PWSD 7 Stoddard County	Yes	February 15, 2019
	Stoddard County 911 Board	Yes	January 8, 2019
	Stoddard County Ambulance District	No	
	Stoddard County Public Health	Yes	May 28, 2019
Stone	Hurley FPD	Yes	May 30, 2019
	Indian Ridge TDD	No	
	North Stone-Northeast Barry County FPD	Yes	June 5, 2019
	PWSD 1 Stone County	Yes	March 25, 2019
	PWSD 2 Stone County	Yes	January 24, 2019
	Sewer District 1 Stone County	Yes	January 24, 2019
	Southern Stone County FPD	Yes	June 24, 2019
	Stone County 911 Board	Yes	January 30, 2019
	Stone County Health Department	Yes	June 7, 2019
	Stone County Library District	No	
Sullivan	Flori Drive CID	Yes	March 21, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Harris SRD Sullivan County	Yes	January 18, 2019
	Locust Creek Watershed Subdistrict	Yes	January 25, 2019
Sullivan	Medicine Creek FPD	Yes	February 21, 2019
	Milan SRD Sullivan County	No	
	Sullivan County Ambulance District	Yes	January 2, 2019
	Sullivan County Health Department	Yes	January 4, 2019
	Sullivan County Library District	Yes	June 30, 2019
Taney	76 Entertainment CID	Yes	June 28, 2019
	Branson Commerce Park CID	No	
	Branson Creek CID	Yes	March 15, 2019
	Branson Hills CID	Yes	May 17, 2019
	Branson Hills Infrastructure Facility CID	Yes	April 1, 2019
	Branson Landing TDD	Yes	June 28, 2019
	Branson Regional Airport TDD	Yes	June 27, 2019
	Cedarcreek FPD	No	
	Central Taney County FPD	No	
	Forsythe Road CID	No	
	Forsythe Road TDD	No	
	Historic Downtown Branson CID	Yes	March 8, 2019
	Protem FPD	No	
	PWSD 1 Taney County	Yes	June 20, 2019
	PWSD 2 Taney County	Yes	June 30, 2019
	PWSD 3 Taney County	Yes	June 30, 2019
	Taney County Ambulance District	Yes	June 21, 2019
	Taney County Health Department	No	
	Taney County Regional SwrD	Yes	May 3, 2019
	Western Taney County FPD	Yes	April 18, 2019
Texas	Licking Route 32 CID	No	
	PWSD 1 Texas County	Yes	May 15, 2019
	PWSD 2 Texas County	No	
	PWSD 4 Texas County	Yes	June 30, 2019
	TCMH CID	Yes	June 4, 2019
	Texas County EMS Board	No	
	Texas County Health Department	No	
	Texas County Library District	No	
	Texas County Memorial Hospital	Yes	May 10, 2019
Vernon	Consolidated PWSD 1 Vernon County	Yes	June 30, 2019
	PWSD 2 Vernon County	Yes	March 18, 2019
	PWSD 7 Vernon County	Yes	April 18, 2019
	Vernon County Health Department	No	
Warren	Marthasville Community AD	Yes	January 21, 2019
	Marthasville Volunteer FPD	Yes	April 25, 2019
	Warren County 911 Board	Yes	June 24, 2019
	Warren County Ambulance District	Yes	June 26, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Wright City FPD	Yes	June 24, 2019
Washington	Caledonia FPD	Yes	April 10, 2019
	Irondale FPD	Yes	May 28, 2019
	Potosi FPD	Yes	April 19, 2019
	PWSD 1 Washington County	No	
Washington	PWSD 4 Washington County	No	
	Richwoods FPD	No	
	Washington County 911 Board	No	
	Washington County Health Department	Yes	March 7, 2019
	Washington County Library District	Yes	May 16, 2019
Wayne	Clearwater FPD	Yes	June 23, 2019
	PWSD 2 Wayne County	Yes	March 16, 2019
	PWSD 4 Butler-Wayne County	No	
	Wayne County Health Center	Yes	February 5, 2019
Webster	Marshfield FPD	Yes	May 2, 2019
	Niangua FPD	No	
	Seymour SRD Webster County	Yes	February 5, 2019
	Southern Webster County FPD	No	
	Spindler TDD	Yes	January 18, 2019
	Webster County 911 Board	Yes	February 5, 2019
	Webster County Health Unit	Yes	March 13, 2019
	Webster County Library District	Yes	June 4, 2019
Worth	Worth County 911 Board	Yes	May 10, 2019
	Worth County Ambulance District	Yes	January 25, 2019
	Worth County FPD	Yes	March 18, 2019
Wright	Mountain Grove SRD Wright County	Yes	June 29, 2019
	PWSD 1 Wright County	Yes	January 2, 2019
	Wright County Health Department	Yes	January 24, 2019
	Wright County Library District	Yes	June 12, 2019
Total Filed		1083	
Total Not Filed		398	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
D&LD	Drainage and Levee District
DD	Drainage District
EMS	Emergency Services
FPD	Fire Protection District
NHD	Nursing Home District
PID	Port Improvement District
PLD	Public Library District
PWSD	Public Water Supply District
RRD	Regional Recreational District
SBD	Special Business District

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
SLD	Street Light Maintenance District		
SRD	Special Road District		
SwrD	Sewer District		
TDD	Transportation Development District		
WSD	Watershed Subdistrict		

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in June 2019

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Raytown FPD	Yes	June 28, 2019
Total Filed		1	

Acronyms:
FPD Fire Protection District

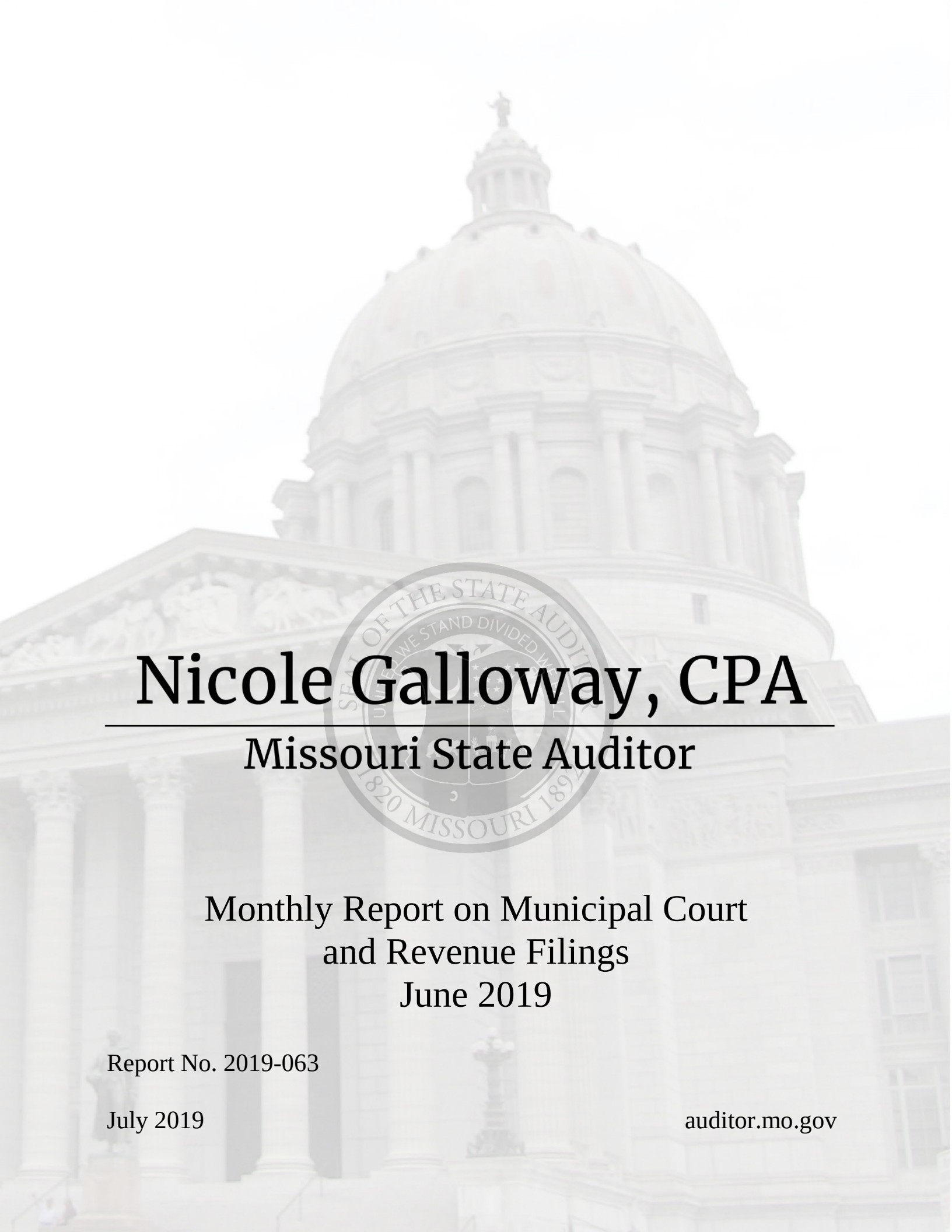
Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due May 31, 2019
Filed in June 2019

Fiscal Year Ended November 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Greene	PWSD 5 Greene County	Yes	June 30, 2019
Laclede	Lebanon SRD 1 Laclede County	Yes	June 3, 2019
Total Filed		2	

Acronyms:

PWSD	Public Water Supply District
SRD	Special Road District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings June 2019

Report No. 2019-063

July 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
June 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

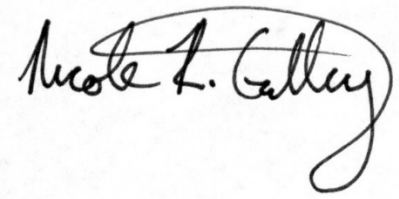
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the counties and municipalities required to file a financial report by June 30, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 257 cities, 11 towns, and 134 villages is presented in summary on page 3 and by individual entity in Appendix A. The filing status for 5 counties is presented in summary on page 4 and by individual entity in Appendix B. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in June 2019, after their filing deadline. The filing status for these 7 cities is presented in summary on pages 4 and by individual entity in Appendixes C to D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 257 cities, 11 towns, and 134 villages with a fiscal year end of December 31, 2018, whose financial reports, addendums, or certifications were due by June 30, 2019. Of the 402 municipalities required to file an annual financial report, 268 filed the report timely, and 2 filed financial report for a partial fiscal year. Of the 216 municipalities required to file an addendum, 78 filed an addendum timely. Of the 114 municipalities required to file a certification, 62 filed a certification timely.

This report includes the filing status for the 5 counties, with a fiscal year end of December 31, 2018, whose addendum and certification was due by June 30, 2019. Of these entities, 3 filed their addendum timely, and 3 filed their certification timely.

This report includes the filing status for 7 cities that filed at least one of the items (financial report, addendum, or certification) in June 2019, after their filing deadline. Of these entities, 1 filed an annual financial report, 7 filed an addendum, and 2 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	City of Brashear	Yes	June 28, 2019	n/a	n/a
	City of Kirksville	Yes	June 26, 2019	Yes	n/a
	Village of Millard	Yes	January 8, 2019	n/a	n/a
Andrew	City of Bolckow	Yes	May 25, 2019	n/a	n/a
	Village of Cosby	Yes	June 19, 2019	n/a	n/a
	Village of Country Club	No		No	n/a
	Village of Rea	No		n/a	n/a
	Village of Rosendale	Yes	June 2, 2019	n/a	n/a
Atchison	City of Fairfax	No		No	n/a
	City of Rock Port	Yes	June 28, 2019	Yes	No
	Village of Watson	Yes	January 17, 2019	n/a	n/a
Audrain	Village of Rush Hill	No		No	n/a
Barry	Arrow Point Village, Inc.	Yes	May 8, 2019	n/a	n/a
	City of Butterfield	Yes	June 27, 2019	No	No
	City of Cassville	Yes	May 14, 2019	No	No
	City of Seligman	Yes	June 7, 2019	Yes	Yes
	City of Wheaton	Yes	April 3, 2019	No	No
	Village of Chain O Lakes	Yes	March 10, 2019	n/a	n/a
	Village of Emerald Beach	Yes	February 14, 2019	n/a	n/a
Barton	City of Liberal	Yes	June 12, 2019	No	n/a
	Village of Lamar Heights	No		n/a	n/a
Bates	City of Amoret	Yes	June 15, 2019	n/a	n/a
	City of Hume	No		n/a	n/a
	City of Rich Hill	Yes	June 28, 2019	No	n/a
	City of Rockville	Yes	June 3, 2019	n/a	n/a
	Village of Foster	Yes	February 26, 2019	n/a	n/a
	Village of Passaic	No		n/a	n/a
Benton	City of Cole Camp	No		Yes	Yes
	City of Lincoln	Yes	June 17, 2019	No	n/a
	City of Warsaw	Yes	June 25, 2019	Yes	n/a
Bollinger	Village of Glen Allen	No		n/a	n/a
	Village of Sedgewickville	No		n/a	n/a
Boone	Town of Harrisburg	Yes	June 25, 2019	n/a	n/a
	Town of McBaine	Yes	April 12, 2019	n/a	n/a
	Village of Pierpont	Yes	April 25, 2019	n/a	n/a
Buchanan	City of Easton	Yes	May 9, 2019	No	No
	Village of DeKalb	Yes	February 5, 2019	n/a	n/a
	Village of Rushville	Yes	March 4, 2019	n/a	n/a
Butler	City of Neelyville	No		n/a	n/a
	City of Poplar Bluff	No		No	n/a

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Caldwell	City of Kidder	No		No	n/a
	City of Kingston	No		n/a	n/a
Caldwell	City of Polo	Yes	April 24, 2019	No	n/a
Callaway	City of Auxvasse	No		No	n/a
	City of Fulton	Yes	June 26, 2019	Yes	n/a
	City of Holts Summit	Yes		No	Yes
	City of Mokane	No		n/a	n/a
	City of New Bloomfield	Yes	May 20, 2019	No	n/a
Camden	City of Osage Beach	Yes	June 19, 2019	No	No
	Village of Four Seasons	Yes	January 18, 2019	No	n/a
Cape Girardeau	City of Jackson	Yes	May 1, 2019	Yes	No
	Town of Allenville	No		Yes	n/a
Carroll	City of Bosworth	No		No	n/a
	City of Hale	Yes	January 31, 2019	No	n/a
	Town of Carrollton	Yes	June 13, 2019	No	n/a
	Village of Tina	Yes	May 14, 2019	No	n/a
Carter	City of Grandin	Yes	January 7, 2019	No	n/a
	City of Van Buren	No		No	n/a
Cass	City of Drexel	Yes	February 22, 2019	Yes	n/a
	City of East Lynne	No		No	n/a
	City of Harrisonville	Yes	May 7, 2019	Yes	Yes
	City of Lake Winnebago	Yes	April 5, 2019	Yes	No
	City of Strasburg	Yes	May 20, 2019	No	n/a
	Village of Gunn City	No		n/a	n/a
	Village of Riverview Estates	Yes	March 13, 2019	n/a	n/a
	Village of West Line	Yes	January 15, 2019	n/a	n/a
Cedar	Village of Umber View Heights	Yes	June 27, 2019	n/a	n/a
Chariton	City of Mendon	No		n/a	n/a
	City of Sumner	No		n/a	n/a
	Village of Rothville	No		n/a	n/a
Christian	City of Billings	Yes	March 26, 2019	Yes	Yes
	City of Fremont Hills	Yes	April 30, 2019	n/a	n/a
	City of Nixa	Yes	April 25, 2019	No	No
	City of Ozark	Yes	June 24, 2019	No	Yes
	Village of Saddlebrooke	Yes	January 7, 2019	No	n/a
Clark	City of Revere	Yes	February 23, 2019	n/a	n/a
	City of Wyaconda	Yes	March 5, 2019	n/a	n/a
	Village of Luray	Partial	July 26, 2018	n/a	n/a
Clay	City of Liberty	Yes	June 28, 2019	Yes	Yes
	City of Missouri City	No		No	n/a

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Randolph	Yes	June 4, 2019	n/a	n/a
	Village of Prathersville	Yes	June 29, 2019	No	n/a
Clinton	City of Trimble	No		No	No
	Village of Turney	No		n/a	n/a
Cole	City of Russellville	Yes	June 13, 2019	n/a	n/a
	Village of Wardsville	Yes	June 26, 2019	No	n/a
Cooper	City of Otterville	Yes	June 25, 2019	No	n/a
	Village of Windsor Place	Yes	June 28, 2019	n/a	n/a
Crawford	Village of Leasburg	No		No	n/a
	Village of West Sullivan	No		n/a	n/a
Dade	Village of Arcola	No		n/a	n/a
	Village of Dadeville	No		n/a	n/a
	Village of South Greenfield	No		n/a	n/a
Daviess	City of Gallatin	Yes	June 28, 2019	No	n/a
	Village of Jameson	Yes	February 4, 2019	n/a	n/a
	Village of Lock Springs	No		n/a	n/a
	Village of Winston	Yes	April 6, 2019	No	n/a
DeKalb	City of Stewartsville	Yes	March 13, 2019	No	n/a
	City of Union Star	Yes	March 4, 2019	No	n/a
Dunklin	City of Cardwell	Yes	January 4, 2019	No	No
	Village of Rives	No		n/a	n/a
Franklin	City of Gerald	Yes	June 28, 2019	Yes	n/a
	City of St. Clair	Yes	June 17, 2019	No	No
	Town of Charmwood	Yes	April 16, 2019	n/a	n/a
	Village of Oak Grove	No		n/a	n/a
Gentry	City of McFall	Yes	March 11, 2019	n/a	n/a
	City of Stanberry	Yes	April 30, 2019	Yes	n/a
Greene	City of Republic	Yes	June 25, 2019	No	Yes
	City of Walnut Grove	No		No	Yes
	City of Willard	Yes	June 3, 2019	Yes	Yes
Grundy	City of Laredo	Yes	February 6, 2019	n/a	n/a
	Village of Dunlap	No		n/a	n/a
Harrison	City of Bethany	No		No	n/a
	City of Cainsville	Yes	February 15, 2019	n/a	n/a
	City of Gilman City	Yes	June 26, 2019	No	n/a
	City of New Hampton	Yes	May 21, 2019	No	n/a
	City of Ridgeway	No		n/a	n/a
	Village of Blythedale	Yes	December 28, 2018	n/a	n/a
	Village of Eagleville	No		n/a	n/a
Henry	City of Blairstown	No		n/a	n/a

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Deepwater	Yes	January 24, 2019	No	n/a
	Village of Tightwad	Yes	June 26, 2019	n/a	n/a
Hickory	City of Cross Timbers	No		n/a	n/a
	Village of Preston	Yes	May 13, 2019	n/a	n/a
Holt	City of Forest City	No		No	n/a
	Village of Fortescue	No		n/a	n/a
Howard	City of Armstrong	Yes	June 29, 2019	No	No
Howell	City of Brandsville	Yes	March 25, 2019	n/a	n/a
	City of Willow Springs	No		Yes	Yes
Iron	City of Annapolis	Yes	February 5, 2019	Yes	n/a
	Village of Des Arc	No		n/a	n/a
Jackson	City of Grain Valley	Yes	June 17, 2019	Yes	No
	City of Lake Lotawana	Yes	June 18, 2019	No	No
	City of Levasy	No		n/a	n/a
	City of Oak Grove	Yes	June 25, 2019	No	No
	Town of Unity Village	Yes	June 24, 2019	n/a	n/a
	Village of River Bend	Yes	June 24, 2019	n/a	n/a
	Village of Sibley	Yes	April 7, 2019	n/a	n/a
Jasper	City of Carytown	Yes	March 8, 2019	n/a	n/a
	City of Duenweg	Yes	June 14, 2019	No	No
	City of Jasper	Yes	June 28, 2019	Yes	n/a
	City of Purcell	Yes	June 29, 2019	No	n/a
	City of Sarcoxie	Yes	March 29, 2019	No	n/a
	Village of Airport Drive	Yes	April 26, 2019	No	n/a
	Village of Avilla	No		n/a	n/a
	Village of Fidelity	Yes	May 22, 2019	n/a	n/a
	Village of Reeds	No		n/a	n/a
Jefferson	City of Kimmswick	No		n/a	n/a
	City of Pevely	Yes	February 25, 2019	Yes	Yes
	Village of Cedar Hill Lakes	Yes	February 12, 2019	n/a	n/a
	Village of Lake Tekakwitha	Yes	June 26, 2019	n/a	n/a
	Village of Parkdale	Yes	March 15, 2019	n/a	n/a
	Village of Peaceful Village	No		n/a	n/a
Johnson	City of Centerview	Yes	January 18, 2019	No	n/a
	City of Chilhowee	Yes	June 25, 2019	No	n/a
	City of Kingsville	Yes	April 9, 2019	No	n/a
	City of Knob Noster	No		Yes	No
	City of Leeton	Yes	June 18, 2019	No	n/a
Knox	City of Baring	No		n/a	n/a
	City of Edina	Yes	April 29, 2019	No	n/a

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	Village of Newark	No		n/a	n/a
	Village of Novelty	Yes	March 14, 2019	n/a	n/a
Laclede	Village of Phillipsburg	No		n/a	n/a
Lafayette	City of Bates City	No		No	No
Lawrence	City of Aurora	Yes	April 25, 2019	Yes	Yes
	City of Halltown	No		n/a	n/a
	City of Marionville	Yes	June 28, 2019	Yes	Yes
	City of Mount Vernon	Yes	February 5, 2019	Yes	No
Lawrence	City of Stotts City	Yes	January 8, 2019	n/a	n/a
	Village of Freistatt	No		No	n/a
	Village of Hoberg	No		n/a	n/a
Lewis	Village of East Fenway	No		n/a	n/a
Lincoln	City of Elsberry	Yes	June 25, 2019	Yes	Yes
	City of Foley	No		No	n/a
	City of Hawk Point	Yes	January 10, 2019	No	n/a
	City of Moscow Mills	Yes	April 3, 2019	Yes	No
	City of Old Monroe	No		No	n/a
	City of Silex	No		No	n/a
	City of Winfield	Yes	June 20, 2019	Yes	Yes
	Village of Fountain 'N Lakes	No		n/a	n/a
	Village of Whiteside	Yes	March 21, 2019	n/a	n/a
Linn	City of Browning	No		No	n/a
	City of Bucklin	Yes	January 14, 2019	No	n/a
	City of Laclede	Yes	June 26, 2019	n/a	n/a
	City of Linneus	Yes	January 10, 2019	n/a	n/a
	City of Meadville	Yes	April 18, 2019	n/a	n/a
Livingston	City of Wheeling	No		n/a	n/a
	Village of Ludlow	No		n/a	n/a
	Village of Utica	No		n/a	n/a
Macon	City of Elmer	Yes	May 14, 2019	n/a	n/a
	City of Ethel	No		n/a	n/a
	City of Macon	Yes	June 19, 2019	No	No
	City of New Cambria	No		n/a	n/a
	Village of South Gifford	Yes	March 26, 2019	n/a	n/a
Madison	City of Marquand	No		No	n/a
	Village of Junction City	No		n/a	n/a
McDonald	City of Goodman	Yes	January 22, 2019	Yes	Yes
	City of Lanagan	Yes	June 28, 2019	Yes	Yes
	City of Noel	Yes	January 23, 2019	Yes	Yes
	City of Pineville	Yes	January 23, 2019	Yes	Yes

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Southwest City	Yes	June 26, 2019	No	Yes
	Town of Jane	No		n/a	n/a
	Village of Ginger Blue	No		n/a	n/a
Mercer	Village of South Lineville	No		n/a	n/a
Miller	City of Eldon	No		No	n/a
	City of Lake Ozark	Yes	June 14, 2019	Yes	Yes
	Village of St. Elizabeth	Yes	June 10, 2019	n/a	n/a
	Village of Tuscumbia	Yes	April 15, 2019	n/a	n/a
Mississippi	City of Anniston	No		No	n/a
	City of Wyatt	Yes	March 18, 2019	No	n/a
Mississippi	Village of Pinhook	Yes	May 31, 2019	n/a	n/a
Moniteau	City of Jamestown	Yes	June 29, 2019	No	n/a
	City of Lupus	Yes	June 3, 2019	n/a	n/a
Monroe	Village of Holliday	Yes	February 1, 2019	n/a	n/a
	Village of Stoutsville	No		n/a	n/a
Montgomery	City of Bellflower	Yes	February 22, 2019	No	n/a
	City of High Hill	Yes	June 2, 2019	No	n/a
Morgan	City of Barnett	Yes	June 17, 2019	n/a	n/a
	City of Laurie	Yes	April 17, 2019	Yes	n/a
	City of Syracuse	Yes	April 10, 2019	n/a	n/a
	City of Versailles	Yes	March 15, 2019	Yes	Yes
New Madrid	City of Canalou	Yes	February 22, 2019	Yes	Yes
	City of Marston	Yes	February 14, 2019	No	No
	City of Matthews	Yes	June 14, 2019	No	No
	City of Morehouse	Yes	January 4, 2019	No	Yes
	City of New Madrid	No		No	n/a
	Village of Tallapoosa	No		n/a	n/a
Newton	City of Fairview	Yes	February 14, 2019	Yes	No
	City of Seneca	Yes	April 5, 2019	No	No
	Town of Loma Linda	Yes	June 20, 2019	n/a	n/a
	Village of Cliff Village	Yes	March 27, 2019	n/a	n/a
	Village of Leawood	Yes	January 29, 2019	n/a	n/a
	Village of Newtonia	Yes	June 25, 2019	n/a	n/a
	Village of Redings Mill	Yes	June 27, 2019	n/a	n/a
	Village of Ritchey	Yes	January 22, 2019	n/a	n/a
	Village of Shoal Creek Drive	Yes	February 14, 2019	n/a	n/a
	Village of Shoal Creek Estates	No		n/a	n/a
Nodaway	City of Clearmont	No		n/a	n/a
	City of Conception Junction	Partial	December 26, 2018	No	n/a
	City of Graham	Yes	June 1, 2019	No	n/a

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Hopkins	Yes	February 27, 2019	No	n/a
	City of Parnell	Yes	February 13, 2019	No	n/a
	Village of Clyde	Yes	February 8, 2019	No	n/a
	Village of Guilford	No		No	n/a
	Village of Pickering	Yes	March 14, 2019	No	n/a
Osage	Village of Argyle	No		n/a	n/a
Pemiscot	City of Bragg City	No		n/a	n/a
	City of Homestown	Yes	March 29, 2019	n/a	n/a
	City of Pascola	Yes	May 23, 2019	n/a	n/a
	Village of Holland	No		n/a	n/a
	Village of Wardell	Yes	February 6, 2019	Yes	Yes
Perry	Village of Longtown	No		n/a	n/a
Pettis	City of Houstonia	No		n/a	n/a
	Village of Hughesville	No		n/a	n/a
Phelps	City of Edgar Springs	No	February 20, 2019	n/a	n/a
Pike	City of Curryville	Yes	June 10, 2019	n/a	n/a
	Town of Paynesville	No		n/a	n/a
	Village of Annada	Yes	March 26, 2019	n/a	n/a
Platte	City of Camden Point	Yes	June 10, 2019	No	n/a
	City of Dearborn	Yes	June 27, 2019	No	No
	City of Edgerton	Yes	March 11, 2019	No	n/a
	City of Lake Waukomis	Yes	June 27, 2019	No	n/a
	City of Parkville	Yes	June 25, 2019	Yes	No
	City of Tracy	Yes	June 26, 2019	No	No
	City of Weatherby Lake	Yes	April 26, 2019	Yes	Yes
	City of Weston	No		No	No
	Town of Ridgely	Yes	January 28, 2019	n/a	n/a
	Village of Farley	Yes	February 2, 2019	n/a	n/a
	Village of Ferrelview	No		n/a	n/a
	Village of Iatan	No		n/a	n/a
Polk	City of Bolivar	Yes	June 13, 2019	Yes	No
	City of Fair Play	No		No	n/a
	City of Humansville	Yes	June 28, 2019	Yes	Yes
	City of Pleasant Hope	Yes	May 2, 2019	Yes	n/a
	Village of Halfway	Yes	April 15, 2019	n/a	n/a
Pulaski	City of St. Robert	No		No	No
	City of Waynesville	Yes	May 17, 2019	Yes	Yes
Putnam	Village of Powersville	Yes	June 30, 2019	n/a	n/a
	Village of Worthington	Yes	March 28, 2019	n/a	n/a
Ralls	City of Center	No		No	n/a

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Randolph	Village of Cairo	No		n/a	n/a
Ray	City of Camden	Yes	June 25, 2019	Yes	Yes
	City of Crystal Lakes	Yes	June 25, 2019	Yes	Yes
	City of Excelsior Estates	Yes	June 26, 2019	n/a	n/a
	City of Fleming	Yes	June 25, 2019	Yes	Yes
	City of Henrietta	Yes	June 25, 2019	Yes	Yes
	City of Orrick	Yes	February 26, 2019	Yes	No
Ray	Village of Homestead	No		No	n/a
Reynolds	City of Centerville	No		n/a	n/a
Ripley	City of Naylor	No		No	n/a
Saline	City of Blackburn	Yes	June 29, 2019	Yes	n/a
	City of Emma	Yes	June 29, 2019	No	n/a
	City of Gilliam	No		n/a	n/a
	City of Malta Bend	Yes	February 14, 2019	n/a	n/a
Saline	City of Miami	No		n/a	n/a
	City of Slater	Yes	May 22, 2019	No	n/a
Schuyler	City of Downing	Yes	June 25, 2019	n/a	n/a
	City of Greentop	Yes	June 24, 2019	n/a	n/a
	City of Lancaster	Yes	June 25, 2019	No	n/a
	City of Queen City	Yes	June 30, 2019	No	n/a
	Village of Glenwood	No		n/a	n/a
Scotland	City of South Gorin	No		n/a	n/a
Scott	City of Morley	No		No	n/a
	Village of Kelso	Yes	February 22, 2019	No	n/a
Shannon	City of Birch Tree	Yes	June 27, 2019	No	n/a
	City of Eminence	Yes	March 25, 2019	No	n/a
	City of Winona	Yes	June 28, 2019	Yes	Yes
Shelby	City of Shelbyville	Yes	June 17, 2019	No	n/a
St. Charles	City of Cottleville	No		No	No
	City of Dardenne Prairie	Yes	June 21, 2019	Yes	Yes
	City of Flint Hill	Yes	January 17, 2019	n/a	n/a
	City of Foristell	Yes	June 7, 2019	Yes	Yes
	City of New Melle	Yes	May 23, 2019	n/a	n/a
	City of O'Fallon	Yes	June 17, 2019	Yes	Yes
	City of St. Charles	Yes	June 25, 2019	Yes	Yes
	City of St. Paul	No		n/a	n/a
	City of Wentzville	Yes	June 13, 2019	No	No
	City of West Alton	Yes	February 19, 2019	n/a	n/a
	Town of Weldon Springs Heigh	Yes	March 2, 2019	n/a	n/a
	Village of Josephville	Yes	January 21, 2019	n/a	n/a

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County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Clair	Village of Collins	Yes	May 24, 2019	n/a	n/a
	Village of Roscoe	Yes	February 11, 2019	n/a	n/a
St. Francois	City of Iron Mountain Lake	Yes	March 8, 2019	No	No
St. Louis	City of Ballwin	Yes	June 6, 2019	Yes	Yes
	City of Bel Nor	Yes	June 21, 2019	Yes	Yes
	City of Bel Ridge	No		No	Yes
	City of Bellerive Acres	Yes	June 24, 2019	Yes	Yes
	City of Breckenridge Hills	Yes	June 20, 2019	Yes	Yes
	City of Brentwood	Yes	June 27, 2019	Yes	Yes
	City of Bridgeton	Yes	June 21, 2019	Yes	Yes
	City of Chesterfield	Yes	June 27, 2019	Yes	Yes
	City of Crestwood	Yes	June 24, 2019	Yes	Yes
	City of Crystal Lake Park	Yes	June 28, 2019	n/a	n/a
	City of Dellwood	Yes	June 28, 2019	Yes	Yes
	City of Des Peres	Yes	June 4, 2019	No	No
	City of Ellisville	Yes	June 21, 2019	Yes	Yes
St. Louis	City of Fenton	Yes	June 27, 2019	Yes	Yes
	City of Flordell Hills	Yes	January 31, 2019	No	No
	City of Green Park	Yes	June 18, 2019	No	No
	City of Huntleigh	No		n/a	n/a
	City of Ladue	Yes	June 25, 2019	Yes	Yes
	City of Lakeshire	Yes	June 24, 2019	No	No
	City of Manchester	Yes	June 10, 2019	Yes	Yes
	City of Maryland Heights	Yes	June 18, 2019	Yes	Yes
	City of Moline Acres	No		No	No
	City of Northwoods	Yes	June 28, 2019	Yes	Yes
	City of Shrewsbury	Yes	June 28, 2019	No	No
	City of St. Ann	Yes	June 28, 2019	No	Yes
	City of St. John	Yes	June 18, 2019	No	No
	City of Sunset Hills	Yes	June 26, 2019	Yes	No
	City of Town and Country	Yes	June 28, 2019	Yes	No
	City of Twin Oaks	Yes	June 17, 2019	No	No
	City of Wilbur Park	Yes	June 17, 2019	No	No
	City of Wildwood	Yes	June 27, 2019	Yes	No
	Village of Champ	Yes	January 25, 2019	No	No
	Village of Country Life Acres	Yes	June 27, 2019	n/a	n/a
	Village of Glen Echo Park	No		No	Yes
	Village of Marlborough	Yes	April 17, 2019	n/a	n/a
	Village of Riverview	Yes	June 28, 2019	Yes	Yes
	Village of Westwood	No		n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Ste. Genevieve	City of Bloomsdale	Yes	June 20, 2019	n/a	n/a
Stoddard	Village of Penermon	Yes	February 19, 2019	n/a	n/a
Stone	City of Galena	Yes	June 28, 2019	No	Yes
	City of Kimberling City	Yes	June 20, 2019	Yes	Yes
	City of Reeds Spring	No		No	No
	Village of Indian Point	Yes	April 24, 2019	No	n/a
Sullivan	City of Green Castle	Yes	April 10, 2019	n/a	n/a
	City of Green City	Yes	June 24, 2019	No	n/a
	City of Harris	Yes	January 18, 2019	n/a	n/a
	Village of Humphreys	No		n/a	n/a
	Village of Newtown	No		n/a	n/a
	Village of Osgood	No		n/a	n/a
	Village of Pollock	No		n/a	n/a
Taney	City of Branson	Yes	June 28, 2019	No	Yes
	City of Merriam Woods	No		No	n/a
	Village of Kirbyville	No		n/a	n/a
	Village of Taneyville	Yes	June 30, 2019	n/a	n/a
Texas	City of Houston	No		Yes	Yes
Texas	Village of Plato	Yes	March 4, 2019	n/a	n/a
	Village of Raymondville	No		n/a	n/a
Vernon	City of Bronaugh	Yes	March 12, 2019	No	n/a
	City of Metz	No		n/a	n/a
	City of Nevada	Yes	June 28, 2019	No	No
	City of Richards	No		n/a	n/a
	City of Schell City	Yes	June 30, 2019	n/a	n/a
	City of Sheldon	Yes	April 24, 2019	No	n/a
	Village of Deerfield	No		n/a	n/a
	Village of Milo	Yes	March 28, 2019	n/a	n/a
	Village of Moundville	No		No	n/a
	Village of Stotesbury	No		n/a	n/a
Warren	City of Wright City	Yes	June 24, 2019	Yes	Yes
	Village of Pendleton	No		n/a	n/a
Washington	Village of Caledonia	No		n/a	n/a
	Village of Mineral Point	Yes	April 4, 2019	n/a	n/a
Wayne	Village of Mill Spring	No		No	n/a
Webster	City of Marshfield	Yes	June 7, 2019	Yes	No
	City of Niangua	Yes	February 21, 2019	No	n/a
Worth	City of Grant City	Yes	January 31, 2019	No	n/a
	City of Sheridan	Yes	April 9, 2019	n/a	n/a
	Village of Allendale	Yes	June 14, 2019	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	Village of Denver	No		n/a	n/a
	Village of Worth	No		n/a	n/a
Total Filed		268		78	62
Total Not Filed		132		138	52
Total Partially Filed		2		0	0
Total n/a		0		186	288

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Counties Required to File Addendums and Certifications
Reports Due June 30, 2019

Fiscal Year Ended December 31, 2018

County	Filed Addendum	Filed Certification
Franklin County	No	No
Jackson County	Yes	Yes
Jefferson County	Yes	Yes
St. Charles County	Yes	Yes
St. Louis County	No	No
Total Filed	3	3
Total Not Filed	2	2

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in June 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Henry	City of Montrose	**	October 17, 2018	Yes	n/a
Ozark	City of Gainesville	Yes	June 12, 2019	Yes	n/a
Platte	City of Platte Woods	***	April 4, 2019	Yes	Yes
Total Filed		1		3	1

** Filed by March 31, 2019.

*** Filed after March 31, 2019, but before June 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2019
Filed in June 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Raymore	**	April 5, 2019	Yes	Yes
Holt	City of Oregon	**	February 21, 2019	Yes	n/a
Jefferson	City of De Soto	**	March 21, 2019	Yes	No
Laclede	City of Conway	**	February 22, 2019	Yes	n/a
Total Filed		0		4	1

** Filed by April 30, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Callaway County Collector and Property Tax System

Report No. 2019-062

August 2019

auditor.mo.gov

Callaway County Collector and Property Tax System
Follow-Up Report on Audit Findings
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3. Property Tax System Controls and Procedures 4
4. County Collector's Controls and Procedures 6

NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
County Collector
Callaway County, Missouri

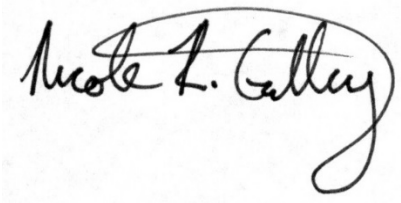
We have conducted follow-up work on audit report findings contained in Report No. 2018-097, *Callaway County Collector and Property Tax System* (rated as Poor), issued in September 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the county about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by county officials and held discussions with county officials to verify the status of implementation for the recommendations. Documentation provided by the county included bank records, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during May 2019.



Nicole R. Galloway, CPA
State Auditor

Callaway County Collector and Property Tax System
Follow-Up Report on Audit Findings
Status of Findings

1. Misappropriated Monies

The audit identified misappropriated monies totaling at least $316,758 between January 1, 2016, and March 15, 2018.

Recommendation

The County Commission and the County Collector work with law enforcement officials regarding criminal prosecution related to the misappropriated monies and take the necessary actions to obtain restitution.

Status

Implemented

In March 2019, the former County Collector was sentenced to 30 months in prison and ordered to pay approximately $380,000 in restitution. The County Commission filed a claim against the County Collector's surety bond and received a payment for $316,758 in November 2018.

2. Questionable Transactions

The County Collector made questionable disbursements totaling $8,414 from the County Collector's general operating account (general account). No documentation could be provided by County Collector's office personnel to support the purpose of these checks. In addition, each of these checks was subsequently redeposited into the general account and used to substitute for cash shortages in deposits made to the general account. The County Collector also improperly abated a protested tax bill for $7,208 after the appeal had been dismissed and the monies distributed. No documentation could be provided by County Collector's office personnel to support why the abatement occurred and why the County Collector had marked the tax payment for refund, or if a refund for this tax payment had been paid.

Recommendation

The County Collector should review the questionable transactions to ensure they were appropriately handled and should also ensure sufficient documentation is maintained to support all transactions.

Status

Implemented

The County Collector reviewed the questionable disbursements. She agreed they were improper and resulted in cash deposit shortages. With the surety bond proceeds received as discussed in the status comments of finding number 1, the County Collector determined no additional action was necessary regarding these disbursements. The County Collector is working to determine how to resolve the improperly abated protested tax bill. The County Collector indicated she is now ensuring sufficient documentation is maintained to support all transactions.

3. Property Tax System Controls and Procedures

We noted significant weaknesses in controls and procedures over the county's property tax system.

3.1 Annual settlements

The County Collector's annual settlements for the years ended February 28, 2018, and 2017, were not complete and accurate.

Recommendation

The County Collector prepare complete and accurate annual settlements.

Status

Implemented

The County Collector filed an annual settlement for the year ended February 28, 2019, on March 21, 2019. However, she said she subsequently determined the settlement was not accurate and prepared an amended annual settlement. We reviewed a draft of the amended settlement and determined delinquent railroad charges of approximately $30,000 for 2016 and 2017 were omitted. The County Collector made the necessary corrections for these unreported charges and filed the amended annual settlement on June 5, 2019.

3.2 Tax books

The County Clerk did not prepare the current tax books and did not verify the accuracy of the current tax books.

Recommendation

The County Clerk prepare the current tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be adequately documented.

Status

In Progress

The former County Clerk did not prepare or verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected for the 2018 tax year. The current County Clerk took office January 1, 2019. She indicated she plans to verify the accuracy of the tax books for the 2019 tax year by selecting at least one personal property tax bill and one real estate property tax bill for each taxing authority and manually recalculating the tax bills to ensure each tax levy is calculating correctly. In addition, the County Clerk and the County Auditor indicated they will recalculate the tax books in total by aggregating the total due for each taxing authority.

3.3 Review of property taxes

The financial activities of the County Collector were not adequately reviewed by the County Clerk, the County Auditor, or the County Commission. Neither the County Clerk nor the County Auditor maintained an account book or other records summarizing property tax charges, transactions, and changes as required by state law. In addition, the County Clerk, the County Auditor, and

the County Commission did not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements.

Recommendation

The County Clerk and the County Auditor work together to maintain an account book with the County Collector. In addition, the County Clerk, the County Auditor, and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Status

In Progress

The County Auditor is currently in the process of creating an account book with the County Collector. The County Auditor indicated the account book will be used to compile information for the 2019 tax year, and available for use by herself, the County Clerk, and the County Commission to verify the accuracy and completeness of the County Collector's next annual settlement.

3.4 Property tax system changes

The County Commission and the County Clerk do not adequately review changes (e.g., additions, abatements, and deletions) entered into the property tax system. In addition to the County Collector having access in the property tax system to make changes such as additions, abatements, and deletions, she could also make corrections or changes to information entered into the property tax system.

Recommendation

The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored. In addition, the County Collector should ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

Status

Implemented

The County Commission purchased a new property tax system for the County Collector's office. The system was implemented on June 1, 2019. For personal property, this system is now integrated with the County Assessor's system and all personal property tax changes are completed by the County Assessor's office. The County Collector's office no longer has access rights to make personal property tax changes to the property tax system. However, for real estate property, the new system is not integrated with the County Assessor's system and all real estate property tax changes are still entered by the County Collector's office. Since implementation of the new property tax system, the County Clerk is reconciling real estate property tax changes made by the County Collector's office in it with changes recorded in the County Assessor's system. In addition, the County Commission reviews and approves a monthly report of personal property tax changes and real estate property tax changes.

4. County Collector's Controls and Procedures

Significant weaknesses existed in the County Collector's accounting controls and procedures.

4.1 Segregation of duties

Accounting duties were not adequately segregated and independent reviews of accounting and bank records were not performed.

Recommendation

The County Collector segregate accounting duties and ensure documented independent reviews of detailed accounting and bank records are performed.

Status

In Progress

The County Collector has segregated some accounting duties but is currently responsible for preparing all monthly bank reconciliations and disbursements and reviewing the work performed by other office personnel. The County Collector indicated with the recent implementation of the new property tax system, she intends to train staff to prepare and process monthly electronic disbursements and perform monthly bank reconciliations which she will then review and approve.

4.2 Unrecorded property tax collections

The County Collector did not record property tax collections totaling $217,936, in the property tax records. These monies were also not subsequently disbursed in accordance with state law and the various political subdivisions did not receive their share of these tax collections. In addition, because these property tax collections were not recorded in the property tax records, some taxpayers did not receive credit for their tax payments.

Recommendation

The County Collector ensure all property tax collections are promptly and accurately recorded in the property tax records and disbursed in accordance with state law. In addition, the property tax accounts relating to the taxpayers with the unrecorded collections should be reviewed to ensure taxpayer balances are accurate.

Status

Implemented

The County Collector has now recorded the property tax collections not recorded by the former County Collector, and used surety bond proceeds to disburse these collections to the appropriate political subdivisions. The County Collector also made corrections to the property tax accounts of affected taxpayers as needed to ensure accurate balances. In addition, we reviewed the tax distribution of all railroad and utility tax collections for the 2018 tax year and noted no problems. The County Collector indicated all property tax collections are now promptly and accurately recorded in the property tax records and disbursed in accordance with state law.

4.3 Unsupported transfers

The County Collector made unsupported transfers totaling $76,778 from the general account to the County Collector's installment payment plan bank account between January 2018 and March 2018. These transfers were electronically processed from the general account to the installment account, and no independent review or approval was required for these transfers. The County Collector's office had not established procedures for electronic transfers and office personnel could not provide an explanation as to why these transfers were made.

Recommendation

The County Collector establish review and approval procedures to ensure transfers are necessary and adequately documented.

Status

In Progress

The County Collector completes all transfers and provides supporting documentation to the County Auditor. The County Collector plans to train office personnel to prepare transfers now that the new property tax system has been implemented. The County Collector indicated she will review and approve all transfers made by office personnel. We reviewed the March and April 2019 electronic disbursement transfers and a transfer by check from the installment account to the general account for disbursement of taxes and found no problems. The records indicated the County Collector completed all of the transfers reviewed and provided the documentation to the County Auditor. In addition, the County Auditor now compares online bank activity to County Collector's office documentation to ensure all transfers are necessary and adequately documented.

4.4 Receipting and cash controls

Receipt slips were not issued for railroad and utility property tax collections; and bankruptcy, installment, or partial payments. Payments received were often not deposited intact and the County Collector's office frequently cashed personal checks for county employees and other individuals. The method of payment was not always accurately recorded in the property tax system and the composition of receipts recorded in the property tax system was not reconciled to the composition of deposits. The change fund was not maintained at a constant amount and no records were maintained to support the use of the long/short fund. Employees shared multiple cash drawers during the busy tax season and one cash drawer the rest of the year.

Recommendation

The County Collector ensure all monies collected are properly receipted, record the method of payment accurately, and reconcile the composition of receipts to the composition of deposits. In addition, the County Collector should discontinue the practice of cashing personal checks, and improve cash handling procedures by maintaining the change fund at a constant amount, documenting the activity of the long/short fund, and limiting access to the cash drawers.

Status

Partially Implemented

The County Collector discontinued the practice of cashing personal checks and each employee now has a separate assigned cash drawer that is balanced daily. However, office personnel are not always accurately recording the method of payment and do not reconcile the composition of receipts to the composition of deposits. We reviewed the composition of receipts and deposits for 5 days in April 2019 and found composition differences had not been reviewed or documented. For example, in one instance a check totaling $8,250 was recorded as cash in the property tax system, and in another instance, $190 paid with a combination of cash and check was recorded only as a check payment. In addition, while the change fund balance was set at $850, the fund was not maintained at this amount. The County Collector used $56 from the change fund to replace a cash shortage in a cash drawer that could not be identified; however, the balance of the change fund was not replenished. Also, while the activity of the long/short fund is now documented, some collections of copy monies and duplicate receipt fees were added to the long/short fund, rather than being deposited with other receipts. The County Collector indicated she plans to ensure the composition of receipts is reconciled to the composition of deposits in the future and any differences will be reviewed and documented.

4.5 Bank reconciliations

Bank reconciliations prepared by the County Collector for the general account were not always complete and accurate, and bank reconciliations for the installment account were not always complete, accurate or timely prepared. The book balance maintained for the general account combined the balance of the general account, the balance of a bank account used to record tax collections for a local city, and all protested tax certificates of deposit. Because the actual book balance of the general account was not tracked separately, this balance was not readily available and it was difficult to determine whether the available cash balance was sufficient to cover liabilities.

Recommendation

The County Collector prepare accurate and timely bank reconciliations and maintain an appropriate book balance for each bank account. Any differences should be investigated and promptly resolved.

Status

Implemented

The County Collector now prepares complete and accurate monthly bank reconciliations. We reviewed the April 30, 2019, bank reconciliations for the general and installment accounts and noted no significant differences. The general account book balance has been separated from the local city account book balance and the protested tax certificates of deposit, and the balances of the general account and the local city account are now reconciled independently.

4.6 Liabilities

The lists of liabilities prepared by the County Collector for the general and installment accounts were not complete and accurate. In addition, the lists included unsupported reconciling items.

Recommendation

The County Collector prepare accurate lists of liabilities monthly and agree the reconciled bank balances to the liabilities lists. Any differences should be investigated and promptly resolved.

Status

In Progress

The County Collector prepares monthly lists of liabilities and has identified and resolved some old, unsupported reconciling items from the general account list of liabilities. At April 30, 2019, the available cash balance exceeded liabilities by approximately $33,600 for the general account and liabilities exceeded the available cash balance by approximately $16,000 for the installment account. The County Collector indicated she had not transferred restitution money from the general account to the installment account to replace the shortage created by the former County Collector. This transfer will primarily resolve the difference in the installment account. The County Collector is also continuing the process of investigating and identifying the remaining differences between the lists of liabilities and the cash balances for the general account.

4.7 Numerical sequence of checks

The County Collector did not issue checks in numerical sequence for the installment account.

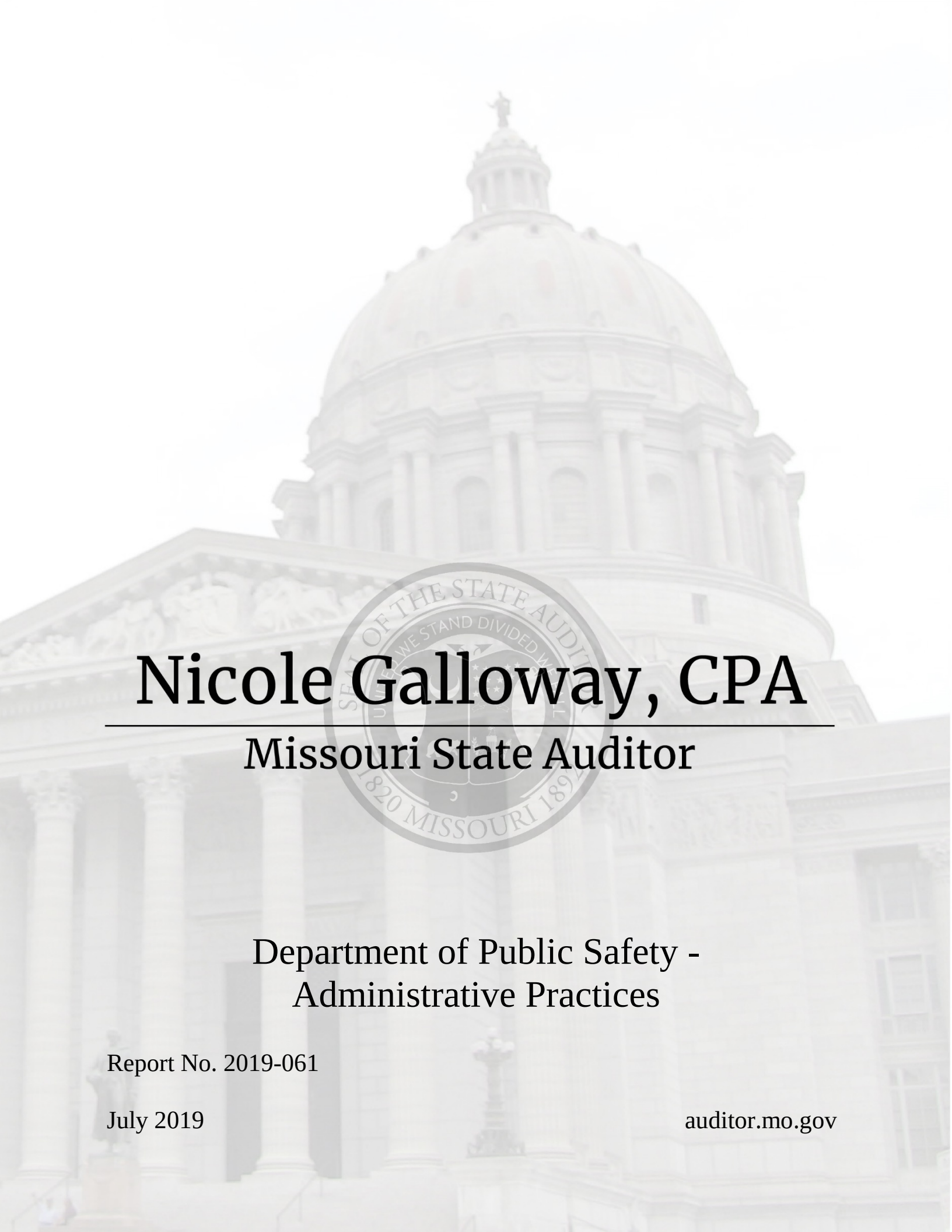
Recommendation

The County Collector issue checks in numerical sequence and account for the numerical sequence of checks issued.

Status

Implemented

The County Collector has limited access to blank checks for the general and installment accounts to ensure checks are issued in numerical sequence. In addition, all checks issued by the County Collector's office are now also signed by the County Auditor, and the County Auditor is tracking the numerical sequence of checks issued for each account.



Nicole Galloway, CPA

Missouri State Auditor

Department of Public Safety - Administrative Practices

Report No. 2019-061

July 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety - Administrative Practices

Equipment, Contracts, and Payment for Services	Under the former Director's administration, the Department of Public Safety (DPS) - Office of the Director (OD) abused the Office of Administration's (OA) single feasible source process in order to award a project management services contract to the Missouri Police Chiefs Charitable Foundation (MPCCF), an organization the former Director had been associated with prior to becoming the Director of the DPS. The services contracted had previously been provided, in part, by the Missouri State Highway Patrol at no cost to the state. The request to OA to designate this organization a single feasible source contained false information that would have had a material impact on the OA's decision to approve the single feasible source request. In addition, the DPS-OD paid $1.25 million to that organization without a contractual agreement in place in order to circumvent the appropriation process. The MPCCF was allowed to hold $1.25 million in state funds for approximately 8 months before being disbursed, resulting in a benefit to the organization and lost interest revenue to the state. The DPS-OD was able to make these payments as a result of an appropriation that was moved from the control of the MSHP to the DPS-OD at the request of MPCCF. The DPS-OD did not object to the change in appropriation and helped facilitate the change.
Administrative Practices	The former Director of the DPS did not comply with all administrative DPS policies regarding annual leave and assigned state vehicle usage. The former Director did not claim any annual leave during his time as Director despite the appearance of taking multiple personal vacations over this time. The former Director and Deputy Director did not follow DPS vehicle usage policies and procedures.

Due to the limited scope of the audit, no rating will be given.

Department of Public Safety - Administrative Practices
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Sandra K. Karsten, Director
Department of Public Safety
Jefferson City, Missouri

The State Auditor was requested by the Governor, under Section 26.060, RSMo, to audit the Department of Public Safety, Office of the Director. We have audited certain operations of the agency in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017, and the period from January 1 through August 31, 2018. The objectives of our audit were to:

1. Evaluate the agency's internal controls over significant management and financial functions.

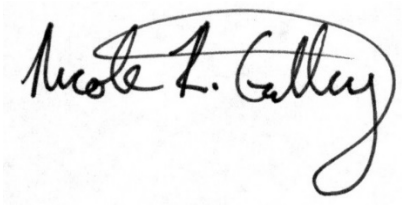
2. Evaluate the agency's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we (1) identified deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and operations.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Public Safety, Office of the Director.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Alex Bruner, MBA, CFE
Audit Staff:	Troy Tallman, CFE

Department of Public Safety - Administrative Practices Introduction

Background

The Department of Public Safety (DPS) comprises eight different agencies (including two commissions) and six separate programs all committed to ensuring the safety of the citizens of Missouri. In addition, the Office of the Director (OD) administers the Homeland Security Program and state and federal grant funding for juvenile justice, victims' assistance, law enforcement and narcotics control. Other programs in the OD provide support services and resources to assist local law enforcement agencies and to provide training criteria and licensing for law enforcement officers.

The State Auditor was requested by the DPS, through the Governor, under Section 26.060, RSMo, to audit the DPS-OD. The Governor's request letter is included in this report at Appendix B. The following events are significant to our review and are discussed further in the findings reported in the accompanying Management Advisory Report - State Auditor's findings.

DPS management

On January 2, 2017, former Governor Eric Greitens appointed Sikeston Director of Public Safety and Police Chief Charles "Drew" Juden as the Director of the DPS. For 2016, Juden also served on the Board of Directors for the Missouri Police Chiefs Association (MOPCA) and as Chairman of the Board of Directors for the Missouri Police Chiefs Charitable Foundation (MPCCF).[1] In addition, St. Louis Fire Department Captain Greggory Favre was named Deputy Director of the DPS. Both positions were effective January 9, 2017.

Director Drew Juden's appointment as Director of the DPS ended on August 31, 2018. Governor Mike Parson appointed Sandra Karsten, Superintendent of the Missouri State Highway Patrol (MSHP), to the Director of the DPS on August 27, 2018. Karsten assumed the post on September 1, 2018 and was confirmed by the Missouri Senate on September 14, 2018.

On November 1, 2018, Deputy Director Greggory Favre resigned as Deputy Director of DPS.

On November 27, 2018, Governor Michael Parson requested the State Auditor conduct an audit of the DPS-OD following the conclusion of an internal review conducted at the request of Director Karsten that raised concerns of questionable past administrative practices.

Pursuant to the Governor's request the State Auditor initiated an audit of the DPS-OD, in December 2018.

[1] The MPCCF was formed and incorporated in 1996 as a charitable foundation. The foundation is a not-for-profit 501(c)(3) corporation.

Equipment contract

In August 2015, the MSHP entered into a contractual agreement with MorphoTrak, LLC, for the purchasing and maintenance of LiveScan and Rapid "Fast" ID equipment for both the MSHP and local law enforcement agencies. The contract has been extended several times with the current contract period ending on June 30, 2020. All equipment purchases by the MSHP for local agencies were paid directly from MSHP to MorphoTrak, LLC, utilizing federal grant funding. No state funds were used to purchase equipment for local law enforcement agencies until the appropriation was moved to the DPS-OD in fiscal year 2018.

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017, and the period from January 1 through August 31, 2018. Our methodology included gathering information regarding the purchase of LiveScan and Rapid "Fast" ID devices for local agencies through discussions with various officials from the DPS-OD, MSHP, Office of Administration (OA), and MPCCF; and reviewing information maintained by those entities.

We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To gain an understanding of legal requirements governing the awarding of a single feasible source contract, we reviewed applicable state laws and interviewed individuals from the DPS-OD and the OA. We also reviewed certain contracts entered into by the DPS for equipment purchases and project management services.

We also reviewed the former Director and Deputy Director's use of annual leave and assigned state vehicles. During our review of these former officials' use of annual leave and assigned state vehicles, our methodology included reviewing timesheets, personal calendars, financial records, vehicle logs, and other pertinent documents; interviewing various current and past personnel of the DPS-OD; as well as certain external parties, including former Director Juden; and testing selected transactions. Additionally, we reviewed travel expenses for overnight trips incurred by the DPS-OD.

1. Equipment, Contracts, and Payment for Services

Under the former Director's administration, the Department of Public Safety (DPS) - Office of the Director (OD) abused the Office of Administration's (OA) single feasible source process in order to award a project management services contract to an organization the former Director had been associated with prior to becoming the Director of the DPS. The services contracted for had previously been provided, in part, by the Missouri State Highway Patrol (MSHP) at no cost to the state. The request to OA to designate this organization a single feasible source contained false information that would have had a material impact on the OA's decision to approve the single feasible source request. In addition, the DPS-OD paid $1.25 million to that organization without a contractual agreement in place in order to circumvent the appropriation process. The organization was allowed to hold $1.25 million in state funds for approximately 8 months before being disbursed, resulting in a benefit to the organization and lost interest revenue to the state. The DPS-OD was able to make these payments as a result of an appropriation that was moved from the control of the MSHP to the DPS-OD at the request of the organization receiving the payments. The DPS-OD did not object to the change in appropriation and helped facilitate the change.

1.1 Single feasible source request

The DPS-OD provided false assertions to the OA Division of Purchasing in its request to have the Missouri Police Chiefs Charitable Foundation (MPCCF) designated a single feasible source vendor. The request was approved based on the information provided. The DPS-OD then entered into a contractual agreement with the MPCCF for project management services for the coordination and installation of fingerprint technology at local law enforcement agencies. The contract period was from June 1, 2018, through May 31, 2019, and allowed the MPCCF to bill the DPS-OD for approximately 3 percent of program costs for coordination despite these services previously being provided by the MSHP at no additional cost to the state. The former Director's prior affiliation with the MPCCF gives this contract the appearance of a conflict of interest.

False assertions used to justify single feasible source award

The DPS-OD single feasible source request contained several false assertions that were material to commissioner of administration's determination to approve the request.[2] According to the DPS-OD's single feasible source request, the MPCCF had previously received a 5 percent administration fee from the state for providing project management services related to using federal grant funding to purchase equipment for local law enforcement agencies. Representatives from both the MPCCF and the MSHP indicated this information was inaccurate and the MPCCF had never received any administration fee for any such services provided. In addition, former DPS-

[2] Before a single feasible source request is approved by the commissioner of administration, justification must be submitted to the OA explaining how the product or service that is considered a single feasible source meets the requirements outlined in Section 34.044, RSMo.

OD personnel indicated in the single feasible source request the $1.945 million appropriation the contract was to be paid from was "appropriated as a local initiative and as such the locals, through the MPCCF (representing all Local Law Enforcement) have a vested interest in managing the project." However, the appropriation for the funds directly conflicts with this statement. House Bill No. 8, 99th General Assembly, 2017, states the $1.945 million appropriated to the DPS-OD was for "providing information technology services and criminal records services to the Highway Patrol and local law enforcement." A representative of the MPCCF indicated the MSHP could have also spent from this appropriation. Therefore, the assertion made by the DPS-OD that this was strictly a "local initiative" was not accurate.

Previous provider not contacted regarding single feasible source

The DPS-OD did not contact the MSHP about providing coordination services even though the MSHP had previously provided such services to local law enforcement agencies at no charge. The DPS-OD asserted to the OA the only other entity the DPS-OD was aware of that would have the knowledge and ability to provide the project management services was the MSHP. However, the justification provided by the DPS-OD to the OA for not considering the MSHP was that the funding being appropriated was a "local initiative," and the MPCCF, who represents all local law enforcement, had a vested interest in managing the project.

An OA Division of Purchasing official stated that the division understood the representations made by the DPS-OD to mean that because the funding had been appropriated directly to DPS-OD to provide the services to local law enforcement instead of how the funding was handled in the past, the MSHP was no longer going to be providing these services as the agency had in the past and consequently was no longer a source for the services to be provided by the MPCCF. Representatives from the MSHP indicated this was not accurate because the MSHP has continued to provide support for LiveScan services for maintenance and LiveScan training even after the appropriation was moved to the DPS-OD.

The OA Division of Purchasing official also stated they were unaware of any objection from the MSHP in proceeding with the DPS-OD's single feasible source request for these services. Representatives from the MSHP stated they could not object because no one in the MSHP's Budget and Procurement Division or Criminal Justice Information Services Division was contacted by the DPS or the OA regarding the proposed single feasible source contract. The MSHP was unaware of the potential single feasible source selection, and as a result had no reason to search for the related advertisements, which were placed only in the Kansas City and St. Louis regions, and not in the Jefferson City region.

Providing accurate information to the OA to justify the awarding of a contract as a single feasible source would help ensure the selection of the vendor is in

the best interest of the state as well as provide the transparency necessary to mitigate the appearance of a conflict of interest.

Based on the information provided to the OA by the DPS-OD, the initial determination by the OA to designate the MPCCF a single feasible source is reasonable. However, in light of the false assertions made to the OA by the DPS-OD in its request, the statutory criteria for establishing a single feasible source have not been met.[3]

1.2 Equipment purchases circumvented appropriations process, and made without a contract

On June 25, 2018, the DPS-OD paid approximately $1.25 million to the MPCCF for goods[4] that were not received until November and December of the same year. This payment circumvented the appropriations process, violated contracts with multiple parties, and was made without a contract with the MPCCF. The payment in question was made possible by the appropriation for the equipment being moved from the control of the MSHP to the DPS-OD. The change in appropriation was made at the request of the Missouri Police Chiefs Association (MOPCA) and was not objected to by the DPS.

Payment made before goods were received

The DPS-OD made the payments to the MPCCF for the equipment provided by MorphoTrak, LLC,[5] 5 to 6 months before the equipment was received by the local law enforcement agencies. The timeline of the payment and receipt of goods is outlined in Table 1.1:

[3] Section 34.044, RSMo, states that a single feasible source exists when (1) supplies are proprietary and only available from the manufacturer or a single distributor; (2) based on past procurement experience, it is determined that only one distributor services the region in which the supplies are needed; or (3) supplies are available at a discount from a single distributor for a limited period of time. The definition of "supplies" in Section 34.010.6, RSMo, includes contractual services.

[4] 29 LiveScan devices for $525,625 and 546 Rapid ID devices for $723,450.

[5] Effective July 1, 2018, MorphoTrak, LLC, became IDEMIA Identity & Security USA, LLC, due to a merger.

Table 1.1: Timeline of payments and delivery of equipment

Date	Event
June 11, 2018	The Executive Director of the MPCCF requests an invoice from IDEMIA for $1.25 million
June 11, 2018	IDEMIA invoices the MPCCF for $1.25 million for LiveScan and Rapid "Fast" ID devices
June 11, 2018	The MPCCF invoices the DPS-OD for $1.25 million
June 25, 2018	The DPS-OD pays the MPCCF $1.25 million
November 6, 2018 - December 26, 2018	LiveScans are received by local law enforcement agencies
December 19, 2018 - December 26, 2018	Rapid "Fast" ID devices are received by the local law enforcement agencies
December 28, 2018	IDEMIA again invoices the MPCCF $525,625 for LiveScans devices
December 29, 2018	IDEMIA again invoices the MPCCF $723,450 for Rapid "Fast" ID devices
February 4, 2019	Check #4346 issued to IDEMIA from the MPCCF for $525,625
February 4, 2019	Check #4347 issued to IDEMIA from the MPCCF for $723,450
February 25, 2019	Checks #4346 & #4347 issued to IDEMIA by the MPCCF cleared the bank

The invoices from IDEMIA to the MPCCF were due by January 27, 2019, and January 28, 2019. The MPCCF did not pay these invoices until February 4, 2019. It is unclear why the MPCCF paid the vendor after the due date when the MPCCF was provided the funds to pay the vendor more than 7 months prior.

Representatives from the DPS-OD and the MPCCF indicated they believed the main reason for passing the $1.25 million through the MPCCF before the goods were received rather than paying IDEMIA directly after the goods were received had been to prevent $1.25 million of the $1.945 million appropriation from going unspent from the fiscal year 2018 appropriation.

Allowing the MPCCF to maintain the $1.25 million in its bank accounts for approximately 8 months provided an unnecessary benefit to the organization of potential interest earned or improved cash flows. Removing these funds from the state treasury harmed the state for similar reasons. Based on

information provided by the State Treasurer's Office, the state treasury did not earn approximately $16,000 in interest as a result of the premature removal of these funds from state accounts.

Paying vendors for equipment after it is received helps safeguard against possible loss or misuse of funds. In addition, good cash management practices dictate the state only advance funds when it is prudent to do so and in the best interest of the state. Proper cash management practices allow the state to maximize interest revenues.

Payment was made without written contract and violated other existing contracts

The DPS-OD payment to MPCCF for equipment occurred without a written contract in place for that purpose. The payment also violated two existing contracts related to the transaction.

- The contract between the MSHP and MorphoTrak, LLC, that establishes the prices paid by the MPCCF requires the equipment be received before payment is made.

- The project management services contract between the MPCCF and the DPS states that other than the payments for services, "…no other payments or reimbursements shall be made to the contractor for any reason whatsoever."

The establishment and use of written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to all parties involved.

Appropriation change

The transaction for equipment described above was made possible by a change in the DPS-OD appropriation for the fiscal year 2018 budget. The General Assembly added $1.945 million for equipment expenses to the DPS-OD appropriation for providing information technology services and criminal records services from the Criminal Record System Fund.[6] Prior to fiscal year 2018, this $1.945 million was included in the MSHP's appropriation for expense and equipment related to technical services and all equipment purchases were coordinated by the MSHP. The change was initiated in the House Subcommittee on Appropriations - Public Safety, Corrections, Transportation, and Revenue. According to discussions with Representative Kathie Conway, Chairman of the subcommittee, the change was initiated by the MOPCA, which is affiliated with the MPCCF, via Sheldon Lineback, Executive Director, and later via David McCracken who represents the MOPCA as a lobbyist. The Missouri Sheriff's Association also initiated the change in the appropriation. Sheldon Lineback confirmed the MOPCA and the MPCCF, as well as DPS-OD, were supportive of the move, while the

[6] Fund 0671 in the Statewide Advantage for Missouri accounting system.

MSHP objected. Former Director Juden claimed no knowledge of who initiated the appropriation change.

1.3 Services paid in advance

The DPS-OD paid the MPCCF in advance for services not provided, which was not in accordance with the written contract between the two parties.

The contract between DPS-OD and the MPCCF for contract management services allows the MPCCF to bill the DPS-OD $58,000 for the services provided by the MPCCF, but also requires the MPCCF to submit monthly invoices. However, on June 5, just 4 days after the contract went into effect, the MPCCF billed the DPS-OD for half of the contract amount ($29,000) for services to be provided. On June 22, 2018 the DPS-OD paid the MPCCF the full $29,000 billed.

MPCCF did not provide the DPS-OD with monthly invoices as required by the contract, and has only provided the one invoice (June 5) to the DPS-OD.

Paying vendors in accordance with signed contracts helps safeguard against possible loss or misuse of funds. In addition, paying vendors for services after the services have been performed helps ensure services are performed in accordance with the contract.

Conclusion

Under the former Director's administration, the DPS-OD abused the state's single feasible source purchasing process and made multiple improper and questionable payments to benefit an organization the former Director was affiliated with prior to becoming the Director of DPS. The related transactions circumvented the appropriation process and were not in the best interest of the Department of Public Safety or the state.

Recommendations

The DPS-OD:

1.1 Ensure all information given to the OA regarding the justification to award a single feasible source contract is accurate. In addition, ensure the appropriate due diligence is performed before seeking a single feasible source award from the OA. Also, refrain from entering into business transactions that do not have a clear purpose or benefit to the state.

1.2 Ensure all contracts are complied with and payments to vendors are not passed through a third party without a legitimate business purpose. In addition, ensure all payments to vendors are made pursuant to a written contract and require documentation of receipt of goods and/or services prior to payment of invoices.

1.3 Require documentation of receipt of goods and/or services prior to payment of invoices. In addition, ensure contract terms are followed

by all parties involved in the contract and refrain from making payments for services not substantially rendered.

Auditee's Response

The DPS-OD's written response is included at Appendix A.

2. Administrative Practices

The former Director of the DPS did not comply with all administrative DPS policies regarding annual leave and assigned state vehicle usage. The former Director submitted multiple timesheets claiming he was working for the DPS while department calendar entries show he was on several personal vacations. In addition, the former Director utilized his assigned state vehicle significantly more than his predecessors, both he and the Deputy Director were not in compliance with DPS policies regarding vehicle usage logs, and the agency did not report all taxable income on their W-2 forms.

2.1 Annual leave usage

The former Director did not claim any annual leave during his time as Director despite the appearance of taking multiple personal vacations over this time.[7] As a result, the former Director may have been overpaid for unused annual leave at the time his appointment ended. DPS officials provided us with all of the former Director's timesheets and monthly calendars during his employment with the DPS.[8] Employee timesheets show the breakdown of hours charged to the various job codes at the DPS in addition to any annual or sick leave used by the employee during each bi-monthly pay period. The former Director's monthly calendar showed various work-related appointments and entries of when he was to be out of the office for non-work related events and trips.

For example, in several instances the former Director's personal monthly calendar indicated the former Director was in Florida while the former Director's timesheet indicated he was working for the DPS. This occurred for 15 working days during the former Director's employment. The DPS employee responsible for keeping the former Director's calendar indicated the trips to Florida were for personal reasons, such as attending the 2017 and 2018 Daytona 500 NASCAR races. Instead of using annual leave, the former Director certified on his timesheet that he worked full 8 hour days for the department on those days.[9] When asked why he reported his time in this way, the former Director stated that as long as he had access to telephone or email, he considered himself to be working.

[7] The former Director only used annual leave between the day he was informed he would not be retained as the Director of DPS on August 16, 2018, and his official end of appointment date on August 31, 2018.

[8] The former Director was employed at the DPS from January 9, 2017, through August 31, 2018

[9] Employees certify their time by signing their timesheet. The former Director signed the timesheets for 14 of the 15 days in question. The timesheet for 1 of the 15 days in question was not signed.

Upon the end of his employment in August 2018, the former Director was compensated $6,864 for his remaining 115 hours of annual leave. The information obtained brings into question the accuracy of the former Director's timesheets. Based on that, it is likely the former Director was overpaid for his unused annual leave, however, due to a lack of documentation we cannot determine the amount overpaid. According to discussions with the former Director, he does not agree with DPS time policies and does not feel the time tracking system accurately reflects the amount of hours he worked. The former Director also stated he maintained a daily journal that contained information on his work schedule, but declined to provide that to us.

The director of the DPS is an administrative position. As such, DPS policies regarding leave accrual and usage apply. Ensuring timesheets for all employees are accurate and reflect the actual time worked will provide assurance that all leave balances are accurate and help ensure employees are not overpaid for leave balances when they terminate state employment.

2.2 Vehicle logs and usage

The former Director and Deputy Director did not follow DPS vehicle usage policies and procedures. The former Director also utilized his assigned state vehicle significantly more than other DPS directors. In addition, the DPS-OD did not report the value of the former Director or Deputy Director's personal use of an assigned state vehicle on W-2 forms as required by the Internal Revenue Service (IRS).

Vehicle usage logs

The former Director and Deputy Director did not maintain vehicle usage logs as required by DPS policy. The former Director and Deputy Director were assigned full-time department vehicles. They used the vehicles to commute from their homes in Sikeston and St. Louis, respectively. The former Director did not keep track of odometer readings, destinations, or the purpose of trips in his assigned state vehicle as required by DPS policy. The former Deputy Director kept odometer readings; however, he did not keep records for the destinations traveled or the purpose of trips.

Vehicle usage

Vehicle usage by former Director Juden was approximately 44 percent higher than DPS directors both prior to and after his administration. We acquired the beginning and ending monthly odometer readings for all former Directors' assigned vehicles from July 2013 through December 2018.[10]

All DPS Directors during the 46 months of July 2013 through December 2016, and September 2018 through December 2018, which excludes former

[10] As previously indicated, the former Director did not keep vehicle usage logs as required by DPS policy; however, when refueling vehicles, odometer readings were required before using the DPS WEX card. Monthly odometer readings from the WEX invoices were then compiled by DPS accounting personnel.

Director Drew Juden's administration, drove an average of 2,052 miles per month. During the 20 months former Director Drew Juden was with DPS, from January 2017 through August 2018, he drove his assigned vehicle an average of 2,956 miles per month, which is a 44 percent increase from other directors.

DPS Policy F-7 states "Vehicle usage logs must be maintained for each DPS vehicle and include the following information: name of driver, date(s) used, beginning and ending odometer readings, destination and purpose of each trip."

Taxable fringe benefit

The value of the former Director's and Deputy Director's personal use of the assigned state vehicles was not reported to the IRS on their W-2 forms because the DPS-OD considers the director and deputy director positions to be always on call. However, DPS-OD personnel also indicated the department does not require employees in either position to use their vehicles for commuting and the assigned vehicles were not clearly marked as public safety vehicles.

IRS reporting guidelines indicate that use of a qualified non-personal use vehicle (including commuting) is required to be included in gross income as a working condition fringe benefit unless specific requirements are met. These requirements include:

- The employee must be required by the employer to use the vehicle for commuting.
- It is readily apparent, by words or painted insignia, that the vehicle is a public safety vehicle. A marking on a license plate is not a clear marking for this purpose.

The vehicle driven by the former Director and Deputy Director did not meet the above requirements. As a result, any personal use of these vehicles should have been included as gross income. However, due to proper vehicle usage logs not being maintained, the taxable portion of the former Director and former Deputy Director's vehicle usage could not be determined.

Recommendations

The DPS-OD:

2.1 Ensure timesheets for all employees are accurate and reflect the actual time worked on DPS related matters.

2.2 Ensure DPS policies regarding vehicle usage logs are followed. In addition, the DPS-OD should refer to IRS guidelines regarding use of employer-provided vehicles and adopt appropriate policies and requirements. The DPS-OD should also ensure all compensation is

properly reported on W-2 forms, and amend W-2 forms for unreported compensation, as appropriate.

Auditee's Response

The DPS-OD's written response is included at Appendix A.

MICHAEL L. PARSON
Governor

SANDRA K. KARSTEN
Director

Lewis & Clark State Office Bldg.
Mailing Address: P.O. Box 749
Jefferson City, MO 65101-0749
Telephone: 573-751-4905
Fax: 573-751-5399

STATE OF MISSOURI
DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE DIRECTOR

July 10, 2019

The Honorable Nicole R. Galloway, CPA
Missouri State Auditor
P.O. Box 809
Jefferson City, MO 65102

Dear Auditor Galloway:

We are providing this letter in response to the recommendations in the audit of the Department of Public Safety – Administrative Practices.

1.1 Ensure all information given to the OA regarding the justification to award a single feasible source contract is accurate. In addition, ensure the appropriate due diligence is performed before seeking a single feasible source award from the OA. Lastly refrain from entering into business transactions that do not have a clear purpose or benefit to the state.

1.1 *We agree with the recommendation. We have already, and will continue, to take the necessary steps to implement the recommendation.*

1.2 Ensure that all contracts are complied with and payments to vendors are not passed through a third party without a legitimate business purpose. In addition, ensure all payments to vendors are made pursuant to a written contract and require documentation of receipt of goods and/or services prior to payment of invoices.

1.2 *We agree with the recommendation. We have already, and will continue, to take the necessary steps to implement the recommendation.*

1.3 Require documentation of receipt of goods and/or services prior to payment of invoices. In addition, ensure contract terms are followed by all parties involved in the contract and refrain from making payments for services not substantially rendered.

1.3 *We agree with the recommendation. We have already, and will continue, to take the necessary steps to implement the recommendation.*

2.1 Ensure timesheets for all employees are accurate and reflect the actual time worked on DPS related matters.

2.1 *We agree with the recommendation. We have already, and will continue, to take the necessary steps to implement the recommendation.*

2.2 Ensure DPS policies regarding vehicle usage logs are followed. In addition, the DPS-OD should refer to IRS guidelines regarding use of employer-provided vehicles and adopt appropriate policies and requirements. The DPS-OD should also ensure all compensation is properly reported on W-2 forms, and amend W-2 forms for unreported compensation, as appropriate.

2.2 *We agree with the recommendation related to the following of policies. All DPS-OD policies are currently being followed and will continue to be followed. We will take the necessary steps to ensure IRS guidelines are followed going forward, and will seek the advice of legal and accounting professionals regarding the amending of previously issued W-2 forms.*

If you have any questions regarding DPS's responses, please contact myself at 751-5432 or Tracy McGinnis at 526-9011.

Sincerely,

Sandra K. Karsten

Sandra K. Karsten
Director

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101

(573) 751-3222
WWW.GOVERNOR.MO.GOV

Michael L. Parson
GOVERNOR
STATE OF MISSOURI

November 27, 2018

Auditor Nicole Galloway
Missouri State Auditor
Missouri State Capitol
201 West Capitol Avenue, Room 121
PO Box 869
Jefferson City, MO 65102

Dear Auditor Nicole Galloway,

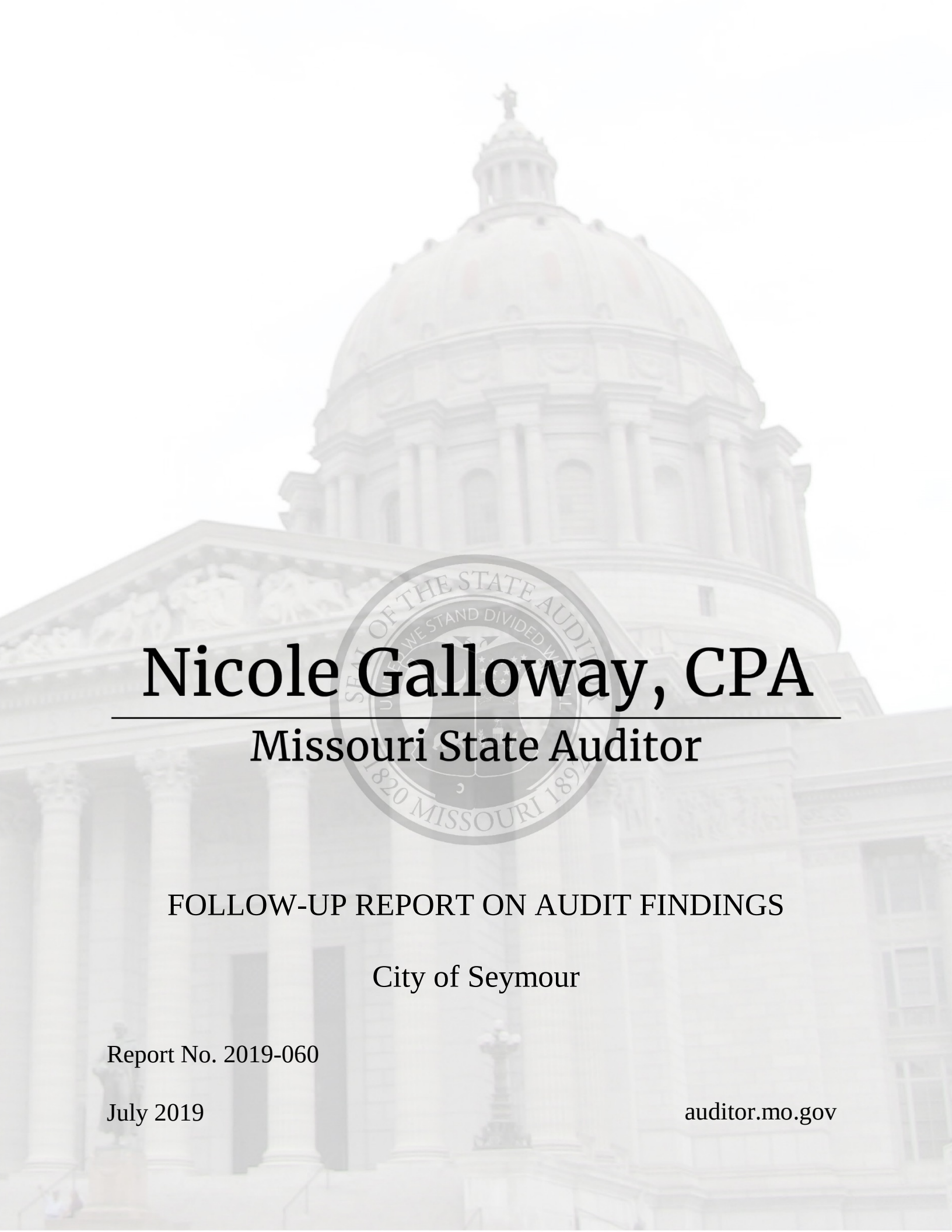
Public Safety Director Karsten recently concluded an internal review of the DPS Director's Office as part of her proactive approach to establishing a clean bill of financial health.

The internal review raised concerns about questionable use of taxpayer dollars. These concerns warranted her recommendation that the State Auditor conduct an independent review of DPS at the administrative level.

Since 2013 was the last time an audit of the DPS Director's Office was completed, now is a prudent time to follow the advice of the Director in this formal request that a state audit be completed.

Sincerely,

Michael L. Parson
Governor



Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Seymour

Report No. 2019-060

July 2019

auditor.mo.gov

City of Seymour
Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
Seymour, Missouri

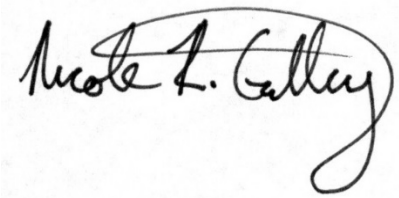
We have conducted follow-up work on certain audit report findings contained in Report No. 2018-124, *City of Seymour* (rated as Poor), issued in December 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussion with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during May and June 2019.



Nicole R. Galloway, CPA
State Auditor

City of Seymour
Follow-Up Report on Audit Findings
Status of Findings

1. Utility System Controls and Procedures

There were significant weaknesses in the city's utility operations. The city provided electric, water, and sewer services, and accounted for the financial activity of each service in a separate fund.

1.1 Utility transfers

The Board of Aldermen had no documentation of any discussions held or the basis for determining the amounts to be transferred from each of the city's three utility funds to the General Fund. The city historically had transferred substantial amounts of money from the Electric Fund, and more recently from the Water Fund and Sewer Fund, to help finance the operations and activities of the General Fund. The percentage of utility revenues transferred was significantly higher than the other cities surveyed, and the average transfer amount per capita was also significantly higher.

Recommendation

The Board of Aldermen determine the value of government services being offset by the utility transfers, maintain documentation to support the amounts transferred, and evaluate the effect on the General Fund.

Status

Not Implemented

The Board has not determined the value of government services being offset by the utility transfers. In addition, the Board did not maintain documentation when determining the transfer percentage to support the amounts transferred, or perform a formal evaluation to determine the effect on the General Fund.

1.2 Utility rates

Periodic formal cost studies of utility rates were not performed and rates were not increased or decreased for any utility services for the past several years. Although utility rates were not changed, some utility funds subsidized other city funds, and heavily subsidized the General Fund.

Recommendation

The Board of Aldermen ensure formal reviews of utility rates are performed periodically to ensure revenues are sufficient to cover all costs of providing the service without generating excessive profits.

Status

Implemented

The Board hired a consulting firm that specializes in rate studies to perform rate studies for electric and water. The firm proposed various changes to the previous electric and water rate structures that resulted in rate increases for the majority of customers. The firm recommended electric rates more closely represent the cost incurred by the city, and recommended water rates provide a reasonable operating margin. The Board passed two ordinances in October 2018 to implement the changes as proposed in the rate studies. The City Clerk indicated the Board has not pursued a new study of sewer rates because the most recent rate adjustments were based on recommendations from the Missouri Department of Natural Resources and operating revenues and expenses have not changed significantly since that time.

1.3 Utility deposits

The city did not reconcile customer utility deposit balances reported in the utility system to the city's accounting records.

Recommendation

The Board of Aldermen periodically reconcile customer utility deposits per the utility system to accounting records and promptly investigate any differences.

Status

Partially Implemented

The City Clerk indicated employees performed a reconciliation of customer utility deposits per the utility system to the city's accounting records but could not identify the cause of the differences. We reviewed the April 2019 reports and noted electric deposits were $352 less than the city's accounting records and water deposits were $396 greater than the city's accounting records. City officials said they have no specific plans to continue this reconciliation process or investigate and correct differences.

1.4 Utility billing

The city's utility customers that qualify as tax-exempt entities under Section 501(c)(3) of the Internal Revenue Code (i.e., nonprofit entities) were not billed for sewer service. Additionally, the Board did not discuss or approve economic incentives, and as a result, the city was not open and/or transparent when awarding certain economic incentives in the form of reduced or waived electric charges.

Recommendation

The Board of Aldermen ensure all sewer charges are assessed and paid, and determine whether the city should seek reimbursement of sewer charges not paid. Also, the Board should review and approve any economic incentives offered by the city.

Status

Implemented

The Board passed two ordinances in October 2018 to eliminate any exemptions or other preferential treatment for nonprofit entities. We reviewed the utility billing history of 11 accounts previously classified as exempt from sewer charges and found each was billed for monthly sewer services beginning November 2018.

The Board determined to not seek reimbursement of sewer charges previously not billed because it would place a financial hardship on the nonprofit entities. The City Clerk indicated any future economic incentive offers will require Board approval, and the city has not offered any additional economic incentives.

1.5 Non-monetary adjustments

Controls over non-monetary adjustments posted to customer utility accounts needed improvement. Non-monetary adjustments posted to the system were

not reviewed and approved by an independent person and documentation of the reasons why these adjustments were necessary were not always retained.

Recommendation

The Board of Aldermen ensure all non-monetary adjustments are properly approved and compared to actual changes posted to the computer system. Documentation of all non-monetary adjustments should be retained.

Status

Implemented

The city implemented revised procedures to ensure non-monetary adjustments are properly approved and compared to actual changes posted in the computer system and documentation of all non-monetary adjustments is retained. The Municipal Court Clerk enters each adjustment and documents the reason, and the Utility Clerk reviews and approves each adjustment by reviewing and initialing the documentation.

We reviewed the Board packet for the April 11, 2019, meeting and noted the packet included a system generated report of all utility adjustments completed for the months of February and March 2019. Adequate documentation of each adjustment made during this period was retained.

1.6 Accounts receivable reconciliations

The city did not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for any of the city's utility services.

Recommendation

The Board of Aldermen ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed.

Status

Not Implemented

The Board has taken no actions to implement this recommendation. The Board now receives a monthly report of all delinquent utility accounts but without a proper reconciliation of amounts billed, payments received, and amounts unpaid, the Board has little assurance that this report is complete and accurate.

1.7 Utility loss

City officials did not have any procedures to determine electric losses, and did not review and investigate significant water losses.

Recommendation

The Board of Aldermen prepare a monthly reconciliation of electric purchased to amounts billed and used by the city. Also, the Board should review the city's monthly water and electric loss reports and investigate significant differences.

Status

Not Implemented

City officials attempted to compile the information for a monthly electric loss reconciliation; however, we identified problems with the reconciliation process and the Board did not review this information. The Board also does not review the city's monthly water loss report and significant differences are not investigated.

2. Monitoring Financial Condition

The Board had not monitored the financial condition of the city, was not receiving detailed information showing cash balances for each fund, and had relied on transfers from utility funds to balance the city's budget.

Recommendation

The Board of Aldermen ensure monthly detailed financial data is provided to Board members, perform immediate and long-term planning, and closely monitor and take necessary steps to improve the financial condition of the various city funds. In addition, the Board should discontinue subsidizing city funds with utility monies.

Status

Partially Implemented

Board members are now provided detailed financial reports on a monthly basis. The Board is now reviewing a report of budget to actual revenues and expenditures by each fund and department. However, no information on the cash balance of each fund is provided. The Board has begun immediate and long-term planning and taken steps to improve the financial condition of the various city funds. The Board has started to build additional reserves for utilities maintenance by reducing the amount of utility revenues transferred to the General Fund. The financial condition of the Library Fund has also improved as a result of actions taken by the Board to reduce expenses. However, the Board continues to rely on utility transfers to subsidize the General Fund.

3.1 Budgets and Financial Reporting - Budgetary requirements

Annual budgets did not contain a budget message, the actual beginning and estimated ending cash balance for each fund, or a budget summary as required by state law. As a result of not having all information required to accurately prepare budgets, the Board unknowingly approved deficit budgets for the General Fund and Library Fund for the fiscal year ended June 30, 2017, in violation of state law. Deficit budgeting and/or negative fund balances were also noted as problems in the financial statement audit report.

Recommendation

The Board of Aldermen ensure annual budgets contain all information required by state law. In addition, the Board should not approve deficit budgets.

Status

Partially Implemented

The City Administrator now includes a budget message and budget summary with the budget submitted to the Board. However, this budget still does not include the actual beginning and ending cash balances for each fund. Without beginning and ending cash balances for each fund, Board members cannot ensure they are not approving deficit budgets.

3.2 Budgets and Financial Reporting - Budget monitoring

The Board did not adequately monitor budget-to-actual receipts and disbursements. The city's actual disbursements exceeded budgeted disbursements for the General, Library, Electric, and Water Funds prior to June 30, 2017; however, a budget amendment was not prepared or approved by the Board before the budget was overspent or before the fiscal year ended.

Recommendation

The Board of Aldermen periodically obtain and review reports of budgeted and actual disbursements to properly monitor the annual budget, ensure disbursements do not exceed budgeted appropriations, and prepare any necessary budget amendments timely.

Status

Partially Implemented

The Board now reviews monthly reports of budgeted and actual disbursements for each fund and department. On April 11, 2019, the Board received reports that indicated disbursements from the General Fund exceeded budgeted disbursements to date by approximately $123,000. City officials indicated no budget amendments were prepared or approved for the fiscal year ended June 30, 2019.

5.2 Disbursements - Written contracts

The city did not have written contracts with some service providers and certain outside parties. During the fiscal year ended June 30, 2017, the city paid for various services without a written contract including mowing ($28,400), consulting ($18,001), information technology ($10,057), legal ($38,214), and pest control ($1,450).

Recommendation

The Board of Aldermen enter into written contracts defining services provided and benefits received.

Status

Not Implemented

The city continues to pay existing vendors for various services without establishing a written contract. In addition, contracts have not been entered into with new service vendors including tree trimming and electric contractors hired to assist in restoring electrical power after a major winter ice storm damaged trees and power lines.

5.3 Disbursements - Bidding and documentation

The city did not always solicit competitive bids or proposals for goods and services as required by the city code. In addition, city personnel did not document the reasons when rejecting the lowest bid.

Recommendation

The Board of Aldermen solicit bids and proposals for all applicable purchases and clarify city code to include the requirements for soliciting and/or advertising bids. In addition, document the reasons when the lowest bid is not accepted.

Status

Partially Implemented

The Board documented reasons for not accepting the lowest bid on a recent construction project. While the Board has solicited bids and proposals for some applicable purchases, they did not solicit bids for ongoing services such as legal, accounting, information technology, and surveying. Also, the Board has not revised the city code to include requirements for soliciting and/or advertising bids.

5.4 Disbursements - Approval process

The city did not require documented supervisory approval for purchases. Although the city had adopted a purchase order form to document supervisory approval prior to payment, the purchase order procedure had not been added to the city code and was not consistently followed.

Recommendation

The Board of Aldermen establish formal policies and procedures to ensure the proper use, accountability, and review and approval of purchase orders and invoices prior to payment.

Status

Not Implemented

The Board has not established formal policies and procedures to ensure the proper use, accountability, and review and approval of the purchase order form and purchase order procedures. The city did not have documented supervisory approval for 9 of 11 purchases made from 5 vendors during April 2019.

5.5 Disbursements - Mileage records and fuel

Mileage records were not reviewed for reasonableness and bulk fuel purchases were not reconciled to bulk fuel dispensed.

Recommendation

The Board of Aldermen reconcile fuel billings to fuel use records, promptly investigate any discrepancies, and periodically review fuel usage for reasonableness.

Status	**In Progress** City personnel reconcile monthly fuel billings to fuel use records and review fuel usage for reasonableness for fleet card purchases. City officials indicated monthly reconciliations of bulk fuel billings to fuel use records ended in October 2018 when an employee terminated employment, and this task was not assigned to another employee. City officials could not provide documentation of any reconciliations performed, and indicated this task will be reassigned to another employee immediately.
5.6 Disbursements - Questionable use of city resources	The Board was aware of two planned projects that resulted in the city using public resources for private gain, but it took no action to stop these projects. The Board did not discuss or approve the projects, and the city did not seek to recover any of the expenses incurred for working on or making improvements to private land.
Recommendation	The Board of Aldermen prohibit the use of public resources for private gain and consult with legal counsel to determine whether the value of services provided to private citizens should be recovered.
Status	**Partially Implemented** The Board indicated this practice has been discontinued, and we did not identify any instances of city resources being expended on a private citizen's property. The Board did not consult with legal counsel to determine whether the value of services previously provided to private citizens should be recovered.
6. Closed Meetings	Some topics discussed and voted on in closed meetings by the Board were not related to the reasons cited for closing the meeting listed in the open meeting minutes. In addition, the Board discussed some items in closed meetings that were not allowable under the Sunshine Law.
Recommendation	The Board of Aldermen ensure only allowable topics cited in the open minutes as the reason for closing the meeting are discussed in closed meetings.
Status	**Not Implemented** The Board held 8 closed meetings from December 2018 through May 2019. Topics discussed were not related to the section cited in the open minutes for 5 of the 8 meetings, and 5 of these meetings discussed topics not allowed for in a closed meeting. In addition, some topics cited in the open minutes were either not discussed in the closed meeting or were not documented in the closed minutes.

7.2 Payroll Controls and Procedures - Time records

The city did not require time records be prepared or maintained for salaried employees, the city's procedures for calculating overtime were not compliant with city policies and federal regulations, and employees were paid based on estimated instead of actual hours. We identified errors in the processing of time and leave records and the accuracy of documentation to support payroll transactions.

Salaried employees were not required to submit documentation of hours worked and/or tasks performed. Also, of the 6 hourly employee time records we reviewed, 4 were not signed or approved by a supervisor.

Hourly employees did not always record overtime worked on time records and/or submit separate overtime requests for overtime worked, and overtime and compensatory time accruals were not always recorded on an employee's weekly time record. In addition, the city's method of calculating overtime was not consistent with the Fair Labor Standards Act (FLSA) or city personnel policies, resulting in increased and unnecessary costs to the city.

The city distributed payroll for all employees every other Friday. Time records were prepared and submitted approximately 2 days in advance of the payroll distributions, and as a result, were not accurate because they reflected the employee's scheduled hours instead of actual hours worked. The city had not established an official policy or provided employees with guidance on how to report unanticipated changes such as unplanned vacation leave or sick leave taken on the days that were paid based on estimates.

Recommendation

The Board of Aldermen ensure daily time records are prepared, properly signed, approved, and retained for all employees, and the information should be reviewed for accuracy prior to entry into the accounting system. In addition, ensure overtime and compensatory time accruals comply with established city policies and the FLSA, ensure controls are in place to make sure employees are not over/under paid based on the payment of estimated hours, and ensure personnel policies contain adequate detail.

Status

In Progress

The Board has made significant improvements in controls over payroll. Time records are required for all employees, payroll is prepared in compliance with city policy and the FLSA, and payroll is no longer based on estimated hours. We reviewed April 2019 payroll records for 3 haphazardly selected employees and noted the records were signed by the employee and retained; however, only 2 records were approved by a supervisor. In addition, the Board revised the personnel policy to include adequate detail of required procedures.

7.3 Payroll Controls and Procedures - Leave accruals

The city's computerized system only allowed employees to accrue 200 hours of vacation leave instead of the maximum of 320 hours allowed by the personnel policy due to a programming error. In addition, employees accrued 10 hours of sick leave monthly instead of 3.69 hours per bi-weekly pay period established by the personnel policy.

Recommendation

The Board of Aldermen ensure vacation and sick leave accruals are in compliance with personnel policies.

Status

Implemented

The Board revised the personnel policy to reflect actual procedures used. For April 2019, we reviewed leave requests, leave accruals, and time records for 3 employees. The records reviewed complied with the current personnel policies.

7.4 Payroll Controls and Procedures - Independent contractor

At the Emergency Services Coordinator's request, the city changed the Coordinator from an independent contractor to an employee starting in January 2016. City officials did not document the reasons for the change or document how they determined what the proper classification was for this position. In addition, the Coordinator did not submit a log or other records to document hours worked.

Recommendation

The Board of Aldermen determine the proper classification for the Emergency Services Coordinator. In addition, proper supporting documentation indicating hours worked should be obtained.

Status

Implemented

The Board has determined the Emergency Services Coordinator should be classified as an employee and he must comply with all policies applicable to other city employees, including submitting weekly time records.

7.5 Payroll Controls and Procedures - Compensation ordinance

The city did not have ordinances establishing the compensation of city officials and employees as required by city code. City personnel policy 3-1 indicated the employee pay rate is established by the pay plan. However, the city was unable to provide a pay plan.

Recommendation

The Board of Aldermen establish the compensation of all city officials and employees by ordinance, and ensure city code and city personnel policies reflect current procedures.

Status	**In Progress** The Board has approved and implemented a pay plan that sets the compensation structure for all city employees and revised city personnel policies to reflect current procedures. However, the Board has not amended or passed an ordinance as required by city code. The City Clerk indicated she is in the process of drafting a compensation ordinance to present to the Board.
7.6 Payroll Controls and Procedures - Pay raises and performance appraisals	The city was not complying with city code or personnel policy when giving pay raises to appointed officers. Additionally, the city did not conduct documented performance reviews or appraisals of employees as required by the city personnel policy, though various pay increases were given including, but not limited to, successful completion of job specific certifications, successful completion of a probationary period, and promotions.
Recommendation	The Board of Aldermen ensure compensation for appointed officials does not increase during the time for which he/she was elected or appointed in compliance with city code. In addition, ensure documented performance reviews are performed in conjunction with pay raises and promotions.
Status	**Implemented** The Board entered into a 2 year employment contract with the former City Administrator. He retired on June 30, 2019, and the Board selected a replacement who received a one year employment contract. Also, the Board revised the ordinance to change the term of the City Clerk to an annual appointment, and implemented annual performance reviews. We reviewed all pay raises issued since December 2018 and found no instances where elected or appointed officials received a pay increase during the time for which they were elected or appointed. Annual appraisals for fiscal year 2019 are currently being conducted and finalized.
8.1 Accounting Controls and Procedures - Segregation of duties	The Board had not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work completed by city office personnel were performed.
Recommendation	The Board of Aldermen segregate the accounting duties of the city office personnel. If proper segregation cannot be achieved, ensure a documented independent or supervisory review of detailed accounting and bank records is performed.
Status	**Implemented** The Board has hired additional administrative and accounting personnel and has adequately segregated accounting duties.

8.4 Accounting Controls and Procedures - Bonding

The Board members, who sign checks and have access to monies held in bank accounts, were not covered by a bond. Also, the Utility Clerk's bond did not provide adequate coverage since it was significantly less than other personnel.

Recommendation

The Board of Aldermen obtain bond coverage for all personnel with access to city monies, and ensure the bond amount for the Utility Clerk is comparable to other personnel.

Status

Implemented

City officials indicated they consulted with the city's insurance company and determined the city already has insurance that provides for employee theft coverage, limited to $100,000 per occurrence. For purposes of this policy, Board members are also considered employees.

9. Planning and Zoning

The City of Seymour did not have a city plan or comprehensive plan to guide planning and zoning activities.

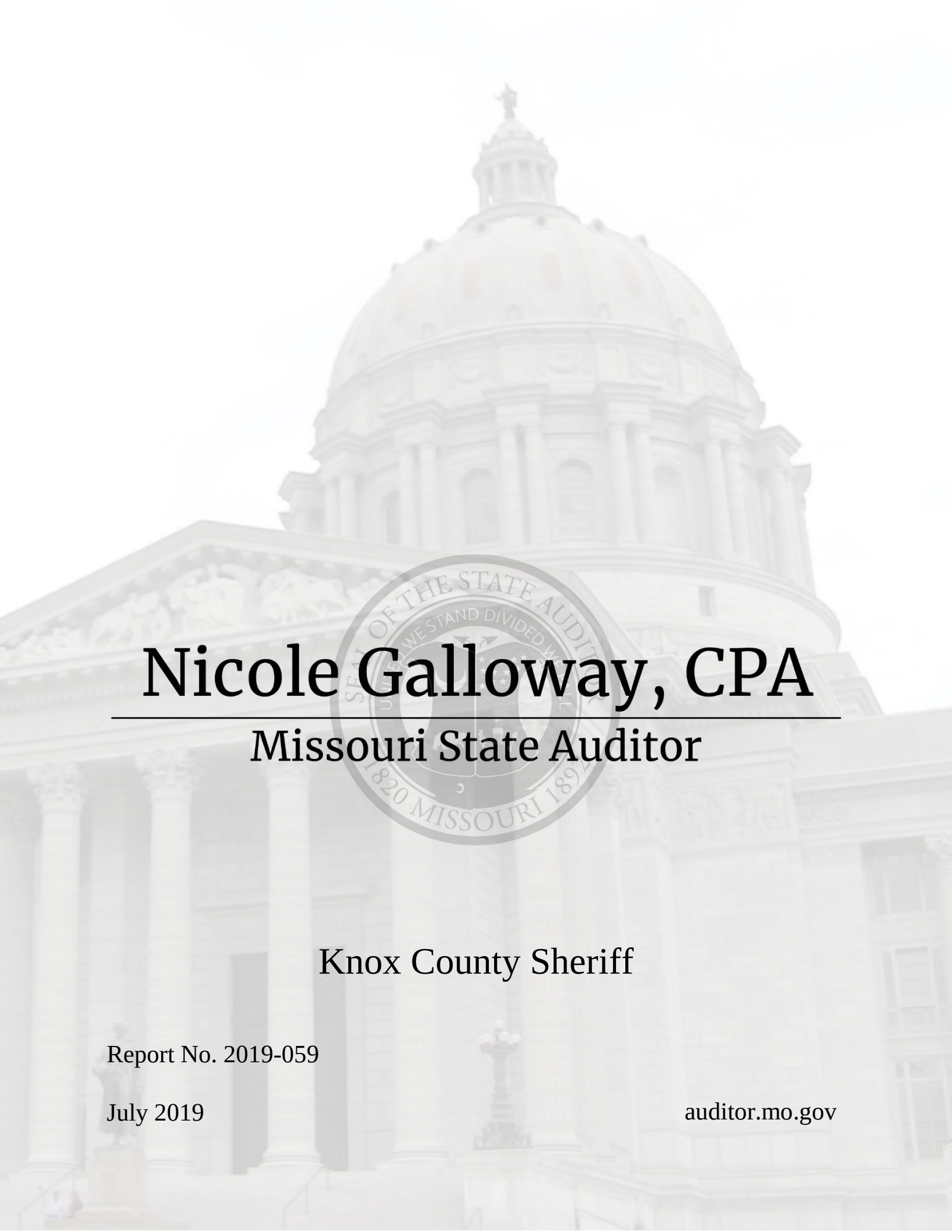
Recommendation

The Board of Aldermen and/or the Planning and Zoning Board create and adopt a city plan and comprehensive plan to help guide future decisions regarding development of the municipality.

Status

In Progress

A new Planning and Zoning Board has been seated and is tasked with implementing this recommendation. City officials indicated they obtained information from the Missouri Department of Economic Development about agencies to contact regarding receiving assistance in creating a comprehensive plan at no charge to the city.



Nicole Galloway, CPA

Missouri State Auditor

Knox County Sheriff

Report No. 2019-059

July 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Knox County Sheriff

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of detailed accounting and bank records. The Sheriff's Administrative Assistant does not prepare adequate bank reconciliations for the Sheriff's bank account. The former Sheriff received a grant that was not used and now must be returned.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Knox County Sheriff
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Sheriff of Knox County

We have audited certain operations of the Knox County Sheriff in fulfillment of our duties under Sections 29.200.3 and 29.230, RSMo. In addition, we performed the audit at the request of the Knox County Commission. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the Sheriff's internal controls over significant management and financial functions.

2. Evaluate the Sheriff's compliance with certain legal provisions.

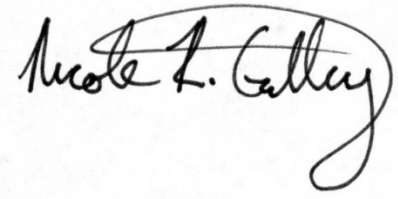
3. Evaluate the economy and efficiency of the Sheriff's management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Knox County Sheriff and the county's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Sheriff of Knox County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	James M. Applegate, MBA

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for civil paper service fees and mileage, bonds, and other miscellaneous receipts totaling approximately $23,600 for the year ended December 31, 2018.

1.1 Segregation of duties and supervisory review

The Sheriff has not adequately segregated accounting duties and does not perform an adequate supervisory review of detailed accounting and bank records. The Sheriff's Administrative Assistant is responsible for receipting, recording, and depositing monies; making disbursements; and reviewing the monthly bank statements. While the Sheriff documents his review of the monthly bank statements, he does not review other accounting records to ensure monies received have been properly recorded, deposited, and disbursed.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing monies; making disbursements; and performing bank reconciliations. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits.

1.2 Bank reconciliations

The Sheriff's Administrative Assistant does not prepare adequate bank reconciliations for the Sheriff's bank account. The reconciliation process includes documenting the transactions that have cleared the bank; however, lists of outstanding checks and deposits in transit are not prepared or reviewed. We determined the bank account's reconciled balance was $5 as of December 31, 2018.

Performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely.

1.3 Sheriff's grant revenues

The former Sheriff received a grant that went unused and now must be returned.

In November 2018, the former Sheriff received a Local Law Enforcement Block Grant (LLEBG) totaling $3,719 from the Missouri Department of Public Safety (DPS) for the purchase of safety equipment. The County Treasurer deposited this money in the Law Enforcement Fund and separately identified that it must be used for restricted purposes. However, the former Sheriff did not report any purchases to the County Clerk related to this money and the county's accounting system listed no disbursements of it.

The LLEBG award must be expended only for items approved in the budget submitted to and approved by the DPS. The submitted budget indicated the

award would be used to purchase body armor, medical kits, and other law enforcement related safety equipment. Due to the prior Sheriff's failure to use this money as required, the current Sheriff must return it to the DPS, according to the terms of the grant. As a result, the Sheriff will have to use other county funds to purchase these items, find other grant funding, or forego making the purchases.

To ensure efficient use of the Sheriff's office resources, grant funding should be used as allowed and closely monitored.

Recommendations

The Sheriff:

1.1 Segregate accounting duties or ensure documented supervisory reviews of detailed accounting and bank records are performed.

1.2 Ensure adequate monthly bank reconciliations are prepared, and lists of outstanding checks and deposits in transit are prepared. Any differences between the accounting records and reconciliations should be promptly investigated and resolved.

1.3 Ensure future grant monies are monitored and utilized as allowed.

Auditee's Response

1.1 Accounting duties cannot be segregated due to lack of personnel; however, I will begin performing a documented supervisory review of detailed accounting and bank records. I will periodically review receipt slips and compare the receipt slips to deposit records, as well as review monthly bank statements and bank reconciliations.

1.2 I have worked with my Administrative Assistant to implement this recommendation. She is now performing formal bank reconciliations monthly and comparing the reconciled bank balance to the checkbook balance to ensure agreement. I will ensure the reconciliations continue to be performed monthly.

1.3 This recommendation addresses the prior Sheriff's failure to properly monitor and utilize grant monies. After my appointment as Sheriff, I was never notified of the status of the grant monies and the grant term expired before I could expend the monies for their intended purpose. I am cooperating with the DPS and intend to repay the monies out of my 2019 budget. I will ensure that any future grant monies are adequately monitored and utilized in accordance with the grant terms and conditions.

Knox County Sheriff
Organization and Statistical Information

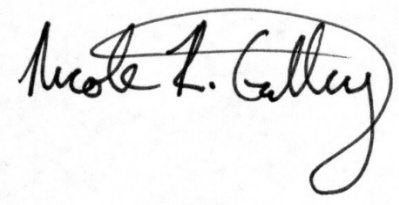
The Sheriff is the chief law enforcement officer of the county. The Sheriff's duties are defined in state law, and include transporting prisoners to state penitentiaries and other county jails and serving various legal papers and processes. The Sheriff's office collects monies for various fees, bonds, and other miscellaneous receipts.

Robert Becker was elected Knox County Sheriff in November 2016. As required by a condition of probation for criminal charges, he resigned from office on December 31, 2018. Also, 3 deputies and one clerical employee resigned in December 2018 prior to the former Sheriff's resignation. The County Commission appointed Allen Gudehus as Interim Sheriff effective January 1, 2019, and the county held a special election for Sheriff on February 26, 2019. Allen Gudehus won the special election and is now serving as Sheriff. During the year ended December 31, 2018, former Sheriff Robert Becker received a salary of $45,790. In addition to the Sheriff, the office employed 1 full-time employee on December 31, 2018.

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Douglas County, Missouri

The Office of the State Auditor contracted for an audit of Douglas County's financial statements for the year ended December 31, 2018, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.



Nicole R. Galloway, CPA
State Auditor

July 2019
Report No. 2019-058

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

DOUGLAS COUNTY, MISSOURI

For the Year Ended December 31, 2018

DOUGLAS COUNTY, MISSOURI

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INTRODUCTORY SECTION

DOUGLAS COUNTY, MISSOURI
List of Elected Officials 2018

County Commission

Presiding Commissioner – Lance Stillings

1st District Commissioner – Craig Cunningham

2nd District Commissioner – Lawson Curtis

Other Elected Officials

Assessor – Alicia Degase

Circuit Clerk – Kim Hathcock

Collector – Laura Stillings

Coroner – Rick Miller

County Clerk – Karry Davis

Prosecuting Attorney – Christopher Wade

Public Administrator – Shelia Miller

Recorder – Jacinda Sheppard

Sheriff – Chris Degase

Treasurer – Theresa Miller

FINANCIAL SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com

McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Douglas County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Douglas County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Douglas County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Douglas County, Missouri, as of December 31, 2018, or the changes in financial position thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Douglas County, Missouri, as of December 31, 2018, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 25, 2019, on our consideration of Douglas County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Douglas County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 25, 2019

Exhibit A

DOUGLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
- ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

Fund	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
General Revenue	$ 363,055	$ 1,882,006	$ 1,954,777	$ 290,284
Special Road & Bridge	259,645	1,376,610	1,251,096	385,159
Assessment	7,996	161,911	142,847	27,060
Sheriff's Training	4,371	1,784	2,184	3,971
Sheriff's Civil Service Fee	1,800	5,874	4,983	2,691
Law Enforcement	20,330	41,624	45,099	16,855
Sheriff's Revolving (CCW)	9,780	4,854	3,248	11,386
Inmate Security	16,313	7,571	10,953	12,931
Prosecuting Attorney Training	437	299	456	280
Prosecuting Attorney Bad Check	4,246	6,255	4,264	6,237
Prosecuting Attorney Delinquent Tax	688	5	-	693
Election Services	10,221	3,116	1,503	11,834
Tax Maintenance	14,455	15,283	14,224	15,514
Recorder User	4,352	7,444	7,794	4,002
Victims of Domestic Violence	233	833	825	241
Election Improvement	2,250	2,200	-	4,450
Emergency Management	4,771	14,856	12,959	6,668
Local Emergency Planning Commission	3,227	5,632	2,764	6,095
Addressing Location Project	5,387	5,925	4,800	6,512
Federal Disaster	35,673	147,475	34,642	148,506
Law Enforcement Sales Tax	294,002	505,072	299,356	499,718
Special Election	-	32,777	32,777	-
Senate Bill 40 Board	116,523	130,931	128,923	118,531
Total	$ 1,179,755	$ 4,360,337	$ 3,960,474	$ 1,579,618

The accompanying Notes to the Financial Statements are an integral part of this statement.

DOUGLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	GENERAL REVENUE FUND	
	Budget	Actual
RECEIPTS		
Property taxes	$ 190,000	$ 212,601
Sales taxes	1,013,500	1,014,700
Intergovernmental	294,405	339,195
Charges for services	181,400	211,544
Interest	3,631	3,103
Other	26,024	54,400
Transfers in	82,413	46,463
Total Receipts	$ 1,791,373	$ 1,882,006
DISBURSEMENTS		
County Commission	$ 83,530	$ 83,505
County Clerk	71,807	71,807
Elections	88,492	79,335
Buildings and grounds	122,332	109,295
Employee fringe benefits	266,781	256,821
Treasurer	45,300	45,241
Collector	84,854	83,897
Recorder of Deeds	45,450	44,969
Circuit Court	10,675	9,936
Court Administration	26,001	20,967
Public Administrator	48,387	47,489
Sheriff	474,779	501,122
Jail	92,752	134,623
Prosecuting Attorney	157,019	157,069
Juvenile Officer	39,089	31,739
Coroner	13,890	13,740
Other County government	240,913	222,327
Transfers out	47,820	40,895
Emergency fund	53,741	-
Total Disbursements	$ 2,013,612	$ 1,954,777
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (222,239)	$ (72,771)
CASH AND CASH EQUIVALENTS, JANUARY 1	363,055	363,055
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 140,816	$ 290,284

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	SPECIAL ROAD & BRIDGE FUND		ASSESSMENT FUND		SHERIFF'S TRAINING FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ 328,000	$ 343,959	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,093,590	988,395	113,987	121,460	800	577
Charges for services	3,300	2,829	4,000	7,026	1,400	1,176
Interest	2,700	3,216	200	352	35	31
Other	2,150	3,569	174	556	-	-
Transfers in	235,673	34,642	32,500	32,517	-	-
Total Receipts	$ 1,665,413	$ 1,376,610	$ 150,861	$ 161,911	$ 2,235	$ 1,784
DISBURSEMENTS						
Salaries	$ 502,801	$ 485,848	$ 95,436	$ 92,706	$ -	$ -
Employee fringe benefits	161,522	150,215	12,000	10,783	-	-
Materials and supplies	396,400	336,083	25,725	7,464	-	-
Services and other	195,900	176,570	22,350	31,894	4,400	2,184
Capital outlay	100,000	68,720	-	-	-	-
Construction	101,500	33,533	-	-	-	-
Transfers out	-	127	-	-	-	-
Total Disbursements	$ 1,458,123	$ 1,251,096	$ 155,511	$ 142,847	$ 4,400	$ 2,184
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 207,290	$ 125,514	$ (4,650)	$ 19,064	$ (2,165)	$ (400)
CASH AND CASH EQUIVALENTS, JANUARY 1	259,645	259,645	7,996	7,996	4,371	4,371
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 466,935	$ 385,159	$ 3,346	$ 27,060	$ 2,206	$ 3,971

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	SHERIFF'S CIVIL SERVICE FEE FUND		LAW ENFORCEMENT FUND		SHERIFF'S REVOLVING (CCW) FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	4,170	5,300	40,000	41,329	2,500	4,780
Interest	20	19	250	295	184	74
Other	-	555	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 4,190	$ 5,874	$ 40,250	$ 41,624	$ 2,684	$ 4,854
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ 6,994	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	5,200	3,258	-	-	-	-
Services and other	350	1,725	1,845	1,845	1,250	3,248
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	43,254	43,254	-	-
Total Disbursements	$ 5,550	$ 4,983	$ 45,099	$ 45,099	$ 8,244	$ 3,248
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,360)	$ 891	$ (4,849)	$ (3,475)	$ (5,560)	$ 1,606
CASH AND CASH EQUIVALENTS, JANUARY 1	1,800	1,800	20,330	20,330	9,780	9,780
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 440	$ 2,691	$ 15,481	$ 16,855	$ 4,220	$ 11,386

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	INMATE SECURITY FUND		PROSECUTING ATTORNEY TRAINING FUND		PROSECUTING ATTORNEY BAD CHECK FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	3,300	2,636	362	298	5,500	6,213
Interest	100	101	2	1	40	42
Other	6,000	4,834	-	-	200	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 9,400	$ 7,571	$ 364	$ 299	$ 5,740	$ 6,255
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	8,400	9,310	-	-	1,300	1,242
Services and other	4,000	1,643	500	456	3,450	3,022
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 12,400	$ 10,953	$ 500	$ 456	$ 4,750	$ 4,264
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,000)	$ (3,382)	$ (136)	$ (157)	$ 990	$ 1,991
CASH AND CASH EQUIVALENTS, JANUARY 1	16,313	16,313	437	437	4,246	4,246
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 13,313	$ 12,931	$ 301	$ 280	$ 5,236	$ 6,237

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-5

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	PROSECUTING ATTORNEY DELINQUENT TAX FUND		ELECTION SERVICES FUND		TAX MAINTENANCE FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	80	-	-	-	-	-
Intergovernmental	-	-	1,200	688	-	-
Charges for services	-	-	1,700	474	13,000	15,138
Interest	5	5	100	76	100	145
Other	-	-	-	-	-	-
Transfers in	-	-	2,100	1,878	-	-
Total Receipts	$ 85	$ 5	$ 5,100	$ 3,116	$ 13,100	$ 15,283
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	4,450	1,304	11,400	11,697
Services and other	-	-	500	199	2,000	24
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	3,000	2,503
Total Disbursements	$ -	$ -	$ 4,950	$ 1,503	$ 16,400	$ 14,224
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 85	$ 5	$ 150	$ 1,613	$ (3,300)	$ 1,059
CASH AND CASH EQUIVALENTS, JANUARY 1	688	688	10,221	10,221	14,455	14,455
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 773	$ 693	$ 10,371	$ 11,834	$ 11,155	$ 15,514

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	RECORDER USER FUND		VICTIMS OF DOMESTIC VIOLENCE FUND		ELECTION IMPROVEMENT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	7,400	7,410	950	830	7,600	2,200
Interest	35	34	2	3	-	-
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 7,435	$ 7,444	$ 952	$ 833	$ 7,600	$ 2,200
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	2,500	1,115	-	-	-	-
Services and other	6,100	6,100	1,000	825	-	-
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	600	579	-	-	-	-
Total Disbursements	$ 9,200	$ 7,794	$ 1,000	$ 825	$ -	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,765)	$ (350)	$ (48)	$ 8	$ 7,600	$ 2,200
CASH AND CASH EQUIVALENTS, JANUARY 1	4,352	4,352	233	233	2,250	2,250
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 2,587	$ 4,002	$ 185	$ 241	$ 9,850	$ 4,450

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	EMERGENCY MANAGEMENT FUND		LOCAL EMERGENCY PLANNING COMMISSION FUND		ADDRESSING LOCATION PROJECT FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	8,545	8,112	5,632	5,632	-	-
Charges for services	-	-	-	-	4,800	5,925
Interest	-	-	-	-	-	-
Other	-	244	-	-	-	-
Transfers in	6,500	6,500	-	-	-	-
Total Receipts	$ 15,045	$ 14,856	$ 5,632	$ 5,632	$ 4,800	$ 5,925
DISBURSEMENTS						
Salaries	$ -	$ -		$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	1,300	1,322	1,620	611	-	-
Services and other	13,400	11,637	1,500	2,153	4,800	4,800
Capital outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	$ 14,700	$ 12,959	$ 3,120	$ 2,764	$ 4,800	$ 4,800
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 345	$ 1,897	$ 2,512	$ 2,868	$ -	$ 1,125
CASH AND CASH EQUIVALENTS, JANUARY 1	4,771	4,771	3,227	3,227	5,387	5,387
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 5,116	$ 6,668	$ 5,739	$ 6,095	$ 5,387	$ 6,512

The accompanying Notes to the Financial Statements are an integral part of these statements.

DOUGLAS COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	FEDERAL DISASTER FUND		LAW ENFORCEMENT SALES TAX FUND		SPECIAL ELECTION FUND	
	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	500,000	501,263	-	-
Intergovernmental	200,000	147,475	-	-	32,777	32,777
Charges for services	-	-	-	-	-	-
Interest	-	-	750	3,051	-	-
Other	-	-	-	758	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	$ 200,000	$ 147,475	$ 500,750	$ 505,072	$ 32,777	$ 32,777
DISBURSEMENTS						
Salaries	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and supplies	-	-	-	-	3,882	5,481
Services and other	-	-	-	-	28,895	27,296
Capital outlay	-	-	-	-	-	-
Construction	-	-	450,000	299,356	-	-
Transfers out	235,673	34,642	-	-	-	-
Total Disbursements	$ 235,673	$ 34,642	$ 450,000	$ 299,356	$ 32,777	$ 32,777
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (35,673)	$ 112,833	$ 50,750	$ 205,716	$ -	$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	35,673	35,673	294,002	294,002	-	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ -	$ 148,506	$ 344,752	$ 499,718	$ -	$ -

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

DOUGLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	SENATE BILL 40 BOARD FUND	
	Budget	Actual
RECEIPTS		
Property taxes	$ 120,000	$ 130,068
Sales taxes	-	-
Intergovernmental	125	105
Charges for services	-	-
Interest	748	758
Other	-	-
Transfers in	-	-
Total Receipts	$ 120,873	$ 130,931
DISBURSEMENTS		
Salaries	$ -	$ -
Employee fringe benefits	-	-
Materials and supplies	-	-
Services and other	129,000	118,923
Capital outlay	10,000	10,000
Construction	-	-
Transfers out	-	-
Total Disbursements	$ 139,000	$ 128,923
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (18,127)	$ 2,008
CASH AND CASH EQUIVALENTS, JANUARY 1	116,523	116,523
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 98,396	$ 118,531

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit C

DOUGLAS COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

Fund/Account	Cash and Cash Equivalents January 1	Receipts	Disbursements	Cash and Cash Equivalents December 31
Treasurer Schools	$ -	$ 4,692,674	$ 4,692,674	$ -
Treasurer Willow Springs Ambulance	-	7,847	7,847	-
Treasurer Library	-	130,170	130,170	-
Treasurer Health Center	-	315,992	315,992	-
Treasurer Sheltered Workshop	-	130,173	130,173	-
Treasurer So. Webster Fire	-	8,951	8,951	-
Treasurer Crime Costs	-	61,471	61,471	-
Treasurer Unclaimed Fees	1,977	-	1,810	167
Treasurer Capital Fines	16,684	41,820	32,795	25,709
Treasurer Over/Under Payment	584	9	-	593
Treasurer Overplus Land Sales	7,697	18,442	-	26,139
Treasurer TT & L Tax Account	14,390	356,812	371,202	-
Treasurer CERF Account	3,860	151,232	150,924	4,168
44th Judicial Drug Court	56,115	60,109	49,456	66,768
Sheriff Deputy Salary Supplemental	-	2,070	2,070	-
Collector General Account	3,804,385	6,119,758	6,072,177	3,851,966
Collector Partial Payment Account	13,295	22,977	27,295	8,977
Collector Protested Tax Account	412	8,733	9,144	1
County Clerk Fee Account	-	8,643	8,643	-
Recorder Account	77	89,822	89,838	61
Prosecuting Attorney Account	1,506	66,629	66,944	1,191
Sheriff Civil Account	1,852	13,048	12,576	2,324
Sheriff General Account	95	112,598	112,730	(37)
Swanson's Commissary	231	-	-	231
Sheriff Other Accounts	64	-	-	64
Public Administrator Accounts	78,629	655,409	569,742	164,296
Total	$ 4,001,853	$ 13,075,389	$ 12,924,624	$ 4,152,618

The accompanying Notes to the Financial Statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Douglas County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Douglas County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, and other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from

accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and tax bills are mailed to taxpayers in October, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property included within the County's boundaries for the calendar year 2018 for purposes of taxation were:

	2018
Real Estate	$ 106,460,106
Personal Property	47,473,408
Railroad and Utilities	3,146,150
Total	$ 157,079,664

For calendar year 2018, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property as follows:

	2018
General Revenue	$0.1300
Special Road & Bridge	0.2127
Senate Bill 40 Board	0.0812

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalent balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents includes deposits and short-term investments with maturities that are less than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2018, the carrying amount of the County's deposits was $1,579,618, and the bank balance was $1,862,256. Of the bank balance, $371,531 was covered by federal depository insurance at December 31, 2018. The remainder of the balance at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2018, County officeholders held, in addition to the cash and cash equivalents listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2018, the carrying amount of the County's custodial funds was $4,152,618, and the bank balance was $3,348,511. Of the bank balance, $421,537 was covered by federal depository insurance at December 31, 2018. The remainder of the balances at December 31, 2018 was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2018, the County collected and remitted to CERF employee withholdings and fees collected of $150,924.

B. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed $11,628 for the year ended December 31, 2018.

C. Other Retirement Plan

Douglas County has voluntary 457 and 414(h) plans which are paid by deductions from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2018 for the 457 plan was $30,779. Employee contributions collected and remitted by the County for the year ended December 31, 2018 for the 414(h) plan was $9,693.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides employees with up to 120 hours (15 days) of paid vacation based upon the number of years of continuous service, and 24 hours of personal time. Vacation and personal time does not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation. Unused personal time is not reimbursable upon termination. Employees accrue 4 hours of sick time per month. The County allows employees to carry forward a maximum of 240 hours (30 days). Accumulated sick leave is paid out at 50% upon termination of employment for employees with a minimum of 5 years of continuous employment with the County.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Litigation

The County was involved in pending litigation as of the audit report date. The County's management and legal counsel anticipate that potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2018:

A. In December 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere motor grader at a cost of $159,600. The agreement was refinanced with an additional $8,988 extended warranty in April 2015 and requires five annual payments of $20,515, which includes interest at 2.47% until 2020, plus one additional payment of $9,500 in 2020. Future payments under the lease are as follows:

Year	Principal	Interest
2019	$19,301	$1,214
2020	29,284	731
	$48,585	$1,945

B. In October 2013, the County entered into a lease purchase agreement to finance the purchase of a 2014 John Deere motor grader at a net cost of $173,890 after trade-in allowance. The agreement requires five annual payments of $16,900, which includes interest at 3.3% until 2018, plus one additional payment of $115,000 in 2018. The balance due of $115,360 was refinanced in February 2018 through Town & Country Bank for 5 years through December 2023. There are 5 fixed annual payments of $26,095, which includes interest at 4.25%. The first payment is due on December 31, 2019.

Year	Principal	Interest
2019	$ 21,193	$ 4,902
2020	22,093	4,002
2021	23,032	3,063
2022	24,011	2,084
2023	25,031	1,064
	$115,360	$15,115

C. In June 2016, the County entered into a $197,087 lease agreement for the acquisition of Six (6) 2016 Dodge Ram Trucks for the Sheriff's department. The lease is through Town & Country Bank for 5 years through June 2021. There are 5 fixed annual payments of $35,650, which includes interest at 2.39%.

Year	Principal	Interest
2019	$ 32,382	$3,268
2020	33,157	2,493
2021	33,950	1,700
2022	34,763	887
	$134,252	$8,348

D. In February 2018, the County entered into a lease purchase agreement to finance the purchase of a 2017 John Deere motor grader at a net cost of $163,067 after trade-in allowance. The lease is financed through Deere Credit through May 2023. There are 5 fixed annual payments of $13,347, which includes interest at 3.75%, and a residual payment of $125,500. The first payment is due on March 1, 2019.

Year	Principal	Interest
2019	$ 7,126	$ 6,221
2020	7,398	5,949
2021	7,680	5,667
2022	7,973	5,374
2023	132,890	5,459
	$163,067	$28,670

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Beginning Balance	Additions	Payments	Ending Balance	Interest
2009 John Deere Motor Grader	$ 67,416	$ -	$ 18,831	$ 48,585	$ 1,684
2014 John Deere Motor Grader	127,669	115,360	127,669	115,360	4,653
2016 Dodge Ram Trucks	165,904	-	31,652	134,252	3,998
2017 John Deere Motor Grader	-	163,067	-	163,067	-
	$360,989	$278,427	$178,152	$461,264	$10,335

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through June 25, 2019, the date the financial statements were available to be issued.

In November 2018, voters in the County approved a .5% sales tax for the purpose of maintenance and improvements to county roads and bridges. The County will begin collecting this tax in 2019.

In February 2019, the County closed on $5,840,000 of Certificates of Participation for the construction of a new jail. The following schedule shows the County's future obligations under these Certificates:

Year	Coupon	Principal	Interest	Total
2019	3%	$ 110,000	$ 182,316	$ 292,316
2020	3%	140,000	219,944	359,944
2021	3%	145,000	215,744	360,744
2022	3%	150,000	211,394	361,394
2023	3%	155,000	206,894	361,894
2024-2028	3%-3.25%	840,000	962,168	1,802,168
2029-2033	3.25%-3.75%	985,000	815,231	1,800,231
2034-2038	3.75%-4.125%	1,185,000	611,950	1,796,950
2039-2043	4.125%-4.375%	1,455,000	343,431	1,798,431
2044-2045	4.375%	675,000	44,625	719,625
		$5,840,000	$3,813,697	$9,653,697

COMPLIANCE SECTION

4151 N. Mulberry Drive, Suite 275
Kansas City, Missouri 64116
T: (816) 221.4559
F: (816) 221.4563
E: Admin@McBrideLock.com
McBRIDE, LOCK & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Douglas County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Douglas County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018, and the related Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the year then ended, and the related notes to the financial statements, which collectively comprise Douglas County, Missouri's basic financial statements and have issued our report thereon dated June 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Douglas County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
June 25, 2019

FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

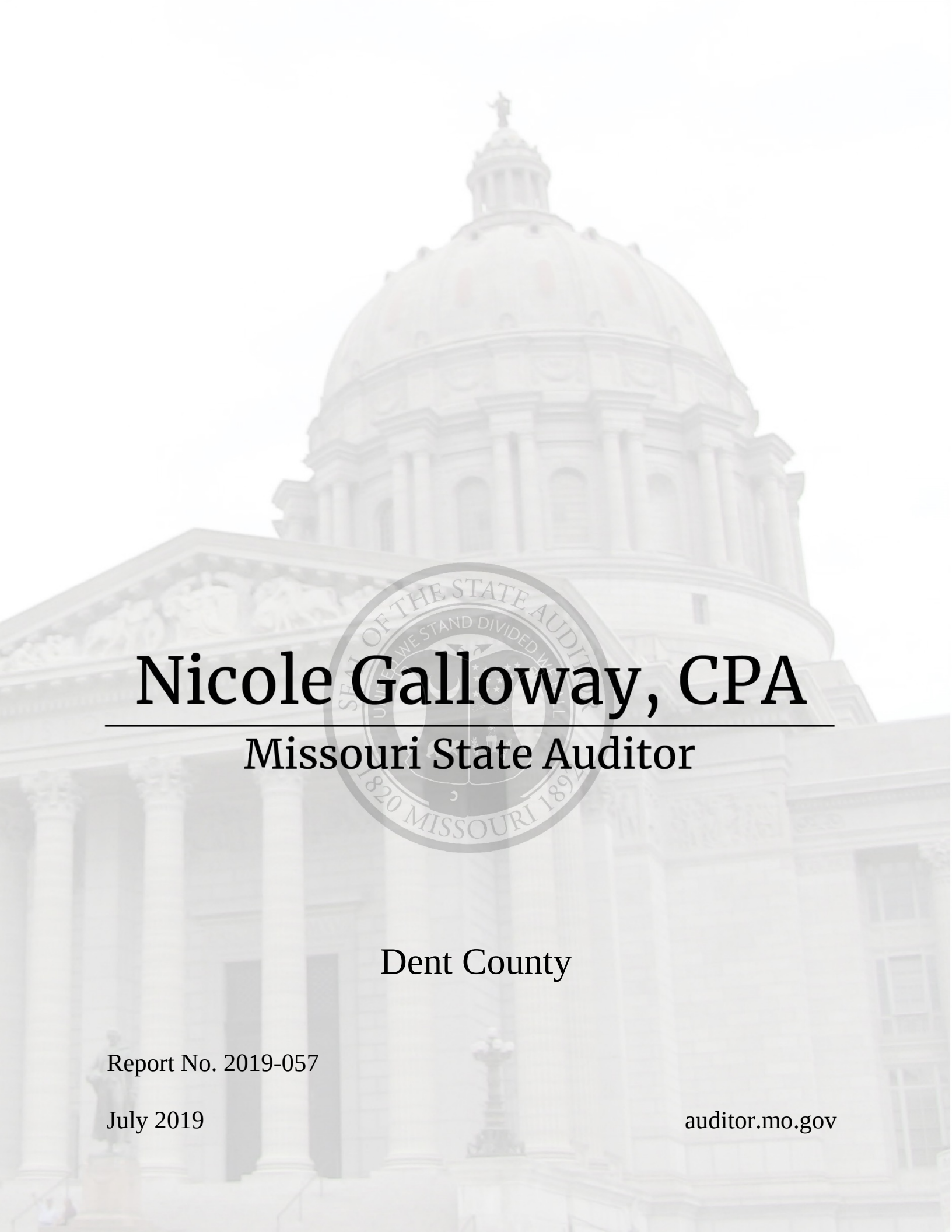
None

DOUGLAS COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditor's follow-up on action taken by Douglas County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2017 and 2016.

2017-001: The County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2017: Assessment Fund. The following fund did not have a budget prepared for 2017 and 2016: Special Election Fund.

Status: Resolved.



Nicole Galloway, CPA

Missouri State Auditor

Dent County

Report No. 2019-057

July 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Dent County

Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records are performed. The administrative clerks do not prepare adequate bank reconciliations for the bond, fee, and commissary bank accounts. The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. The Sheriff's office does not always make deposits timely or intact. The Sheriff does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners and civil paper service fees are adequately identified and pursued.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's office does not always timely disburse bad check payments to victims or fees received to the County Treasurer. The Prosecuting Attorney does not ensure a monthly list of liabilities for the office's main bank account is prepared and agreed to the reconciled bank balance.
Public Administrator's Annual Status Reports	The Public Administrator does not always file annual status reports timely or accurately.
Electronic Data Security	The County Assessor, County Collector, County Clerk, County Treasurer, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers in the office of the Recorder of Deeds after a specified number of incorrect logon attempts. The Public Administrator does not back up computer data leaving this office at risk if data is lost or destroyed.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Dent County
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Management Advisory Report - State Auditor's Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Dent County

We have audited certain operations of Dent County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & VanHoy, Certified Public Accountants and Business Advisors, LLC, was engaged to audit the financial statements of Dent County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

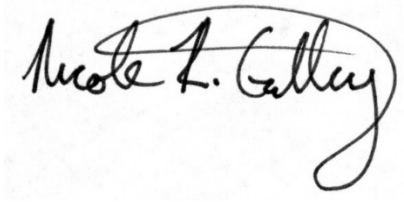
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dent County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Mackenzie J. Wooster
Audit Staff:	Albert Borde-Koufie, MBA
	Devin Jackson
	Jacob Thompson

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for civil paper service, board bills, concealed carry weapon permits, and other miscellaneous receipts totaling approximately $74,000 through the fee account, bond receipts totaling approximately $71,000 through the bond account, inmate monies totaling approximately $78,000 through the commissary account, and fees from driving while intoxicated (DWI) charges totaling $879 through the DWI account, during the year ended December 31, 2018.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records are performed. The Head Administrative Clerk is responsible for receipting payments received in the mail, writing checks, making deposits, and reconciling the fee and DWI bank accounts. Another clerk is responsible for the same duties for the bond and commissary accounts. The Sheriff does not review accounting records to ensure monies received have been properly recorded, deposited, and disbursed to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing payments; making disbursements; and reconciling bank accounts. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

1.2 Bank reconciliations and liabilities

The administrative clerks do not prepare adequate bank reconciliations for the bond, fee, and commissary bank accounts. In addition, monthly lists of liabilities are not prepared to reconcile to the account balances.

The bank reconciliation process only includes documenting the transactions that have cleared the bank; however, reports of outstanding checks and deposits in transit are not prepared or reviewed. We determined the reconciled bank balances for the bond, fee, and commissary accounts as of October 31, 2018, were $512; $3,842; and $17,902 respectively. Office personnel did not prepare a list of liabilities for any of these accounts. The commissary system can generate a list of liabilities report indicating the inmate's individual account balances, but office personnel do not generate this report to reconcile the report to the commissary reconciled balance. The commissary bank account also contains commissary net proceeds that have not been turned over to the Inmate Prisoner Detainee Security Fund (see section 1.3).

Performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Regular

identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

1.3 Inmate Prisoner Detainee Security Fund

The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. Net proceeds from commissary sales, and commissions received from commissary vendors for purchases made by inmates are retained with the inmate monies in the commissary bank account. Any amount in the bank account exceeding the inmate monies is considered commissary net proceeds. The Sheriff's office does not track commissary net proceeds, but instead disburses most funds in the commissary bank account once or twice a year to the Inmate Prisoner Detainee Security Fund held by the County Treasurer, leaving a balance of approximately $10,000 to pay the commissary vendors. Without reviewing the vendor's inmate account balances and tracking commissary net proceeds, the Sheriff cannot ensure enough money is retained in the bank account to cover inmate account balances and pay the commissary vendors.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) of the commissary account into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

1.4 Deposits

The Sheriff's office does not always make deposits timely or intact. For example, $2,876 receipted from October 9, 2018, through October 15, 2018, was not deposited until October 23, 2018. In addition, $570 receipted on October 16, 2018, through October 23, 2018, was not deposited until a $718 deposit was made on October 26, 2018, even though a deposit was made on October 23, 2018.

Failure to deposit timely or intact increases the risk that loss, theft, or misuse of monies received will go undetected.

1.5 Receivables

The Sheriff does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners and civil paper service fees are adequately identified and pursued. During 2018, the Sheriff's office did not track all board bills or civil paper service fees billed or payments received. As a result, office personnel cannot monitor amounts billed to ensure payments are received and transmitted to the County Treasurer. County records indicate amounts transmitted to the County Treasurer for board bills and civil paper service fees totaled approximately $51,300 and $1,300, respectively in 2018.

Procedures such as independent reconciliations of billing records to jail records or civil paper service records and payments received should be established to ensure prisoner housing and civil paper services are properly billed, collected, recorded, and transmitted to the County Treasurer. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of funds going undetected.

Similar conditions previously reported

Similar conditions to sections 1.1, 1.4, and 1.5 were noted in our 2 prior audit reports. In addition, similar conditions to sections 1.2 and 1.3 were noted in our prior audit report.

Recommendations

The Sheriff:

1.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.

1.2 Ensure adequate monthly bank reconciliations are prepared for all bank accounts, and lists of outstanding checks and deposits in transit are prepared. In addition, prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

1.3 Ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.

1.4 Deposit monies timely and intact.

1.5 Develop procedures to ensure collections of costs for boarding prisoners and for civil paper services and the proper recording and transmittal of payments received.

Auditee's Response

1.1 The Sheriff will ensure adequate supervisory reviews are conducted on all accounting/bank records and deposits. The Sheriff will review and sign all accounting/bank statements, deposits, and all checks.

1.2 Bank reconciliations are now being done monthly on the bank accounts. Our accounts are reconciling to zero, besides the commissary account. We now obtain/create a list of inmate monies and reconcile it to the commissary account.

1.3 A minimal account balance, as deemed appropriate by the Sheriff to ensure continuous operation of the jail's facilities (i.e. commissary

payments, inmate phone systems, and returned inmate funds), will be maintained in the commissary account. The commissary account will be reviewed for liabilities monthly. Net proceeds will be transferred from the commissary account to the Inmate Prisoner Detainee Security Fund quarterly.

1.4 The Sheriff's office will make deposits weekly and intact. All monies as they are received are kept in a lock box. The key to the lock box is kept in a safe in the Sheriff's office with limited access to the safe by the Sheriff, Administrative Clerk, and the Chief Deputy.

1.5 The Sheriff's office has established procedures to track civil service fees billed and payments received. The Civil Process Administrator will log all paper service requests into the Omnigo Public Safety Software with check number/receipt number. Once service is completed, papers will be processed for mileage and entered into the Omnigo program and the mileage will be billed. Once a month, on the first of the month, the Civil Process Administrator will reconcile the accounts and send out payment due reminders. Any accounts not paid within 90 days will be suspended until payment is received. Once the ledger is complete it will be sent to the Administrative Clerk, reviewed by the Sheriff, and the Administrative Clerk will make the deposits. The Sheriff's office has purchased QuickBooks to track board bills. Board billing is currently pending review until guidance is given by the Missouri courts and the state legislature.

2. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately $68,000 in bad check and court-ordered restitution and fees during the year ended December 31, 2018.

2.1 Disbursements

The Prosecuting Attorney's office does not always timely disburse bad check payments to victims or fees received to the County Treasurer. The Prosecuting Attorney's office did not disburse $3,610 in bad check payments received from May 2018 through September 2018 until October 15, 2018. The Prosecuting Attorney indicated during that period his office experienced several changes in office personnel, resulting in the disbursements being untimely.

To ensure all receipts are accounted for properly and reduce the risk of loss, theft, or misuse of funds, bad check payments and fees received should be disbursed timely. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer. In addition, pursuant to Section 50.380,

RSMo, the Prosecuting Attorney may be subject to penalties for failure to timely disburse fees to the County Treasurer.

2.2 Liabilities

The Prosecuting Attorney does not ensure a monthly list of liabilities for the office's main bank account is prepared and agreed to the reconciled bank balance. The liabilities for the Prosecuting Attorney's main bank account was $714 at December 31, 2018. The reconciled bank balance was $1,831 at that date, leaving an unidentified balance of $1,117.

Monthly lists of liabilities should be reconciled to the available cash balance to ensure sufficient cash is available for the payments of amounts due and all monies in the bank can be identified. Prompt follow up on discrepancies is necessary to resolve errors. Further, various statutory provisions provide for the disposition of unidentified monies.

Recommendations

The Prosecuting Attorney:

2.1 Disburse bad checks payments to victims timely and bad checks fees in accordance with state law.

2.2 Prepare a monthly list of liabilities and reconcile the list to the reconciled bank balance monthly. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.

Auditee's Response

2.1 Although some fees were not distributed within 30 days, all fees and restitution were fully dispersed to the County Treasurer and to victims since taking office in 2013.

2.2 The Prosecuting Attorney has tasked a CPA with reconciliation of restitution and fees. All fees and restitution are fully dispersed to the County Treasurer and victims.

3. Public Administrator's Annual Status Reports

The Public Administrator does not always file annual status reports timely or accurately.

During our review of 53 cases with status reports due in 2018, status reports were not filed timely for 12 of the 36 (33 percent) cases submitted. These 12 status reports were filed up to 10 months after the due date. In addition, 15 (42 percent) status reports submitted were not accurate and the Public Administrator had to correct and resubmit them. For example, for one status report, the total obtained when adding the amounts on the list of disbursements did not agree to the disbursement total indicated on the report. The Probate Judge granted extensions for all 17 status reports not submitted with one extension 212 days after the original due date. The Public Administrator does not keep a record of when annual status reports are due to

the court. Instead, she relies on the Circuit Court, Probate Division Clerk to send her reminder notifications.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual status report with the court for each ward or estate. Timely filing of status reports is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

Recommendation

The Public Administrator ensure annual status reports are filed timely and accurately.

Auditee's Response

The Public Administrator agrees with the recommendation and will take steps to implement the recommendation. The Public Administrator has submitted all status reports that are currently due to the Circuit Court, Probate Division. The Public Administrator now keeps due dates on the calendar to help with timeliness, and will use the previous status report to ensure the accuracy of the starting balance of the current status report.

4. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The County Assessor, County Collector, County Clerk, County Treasurer, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to periodically change their passwords. In addition, the passwords used by employees in the office of the Recorder of Deeds are not required to have a minimum number of characters.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed in 5 offices and do not contain a minimum number of characters in one office there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should contain a minimum number of characters and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

Security controls are not in place to lock computers in the office of the Recorder of Deeds after a specified number of incorrect logon attempts.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are

necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords.

4.3 Data backups

The Public Administrator does not back up computer data leaving the office at risk if data is lost or destroyed.

Preparation of backup data increases assurance data could be recovered if necessary. To help prevent loss of information and ensure essential information and computer systems can be recovered, computer data should be backed up periodically, tested on a regular basis, and stored at a secure off-site location.

Recommendations

The County Commission work with other county officials to:

4.1 Require each employee to have a confidential password with a minimum number of characters that is periodically changed.

4.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts.

4.3 Ensure computer data is backed up periodically and stored at a secure off-site location.

Auditee's Response

The County Commission will work with all county officials to implement these recommendations.

Dent County
Organization and Statistical Information

Dent County is a county-organized, third-class county. The county seat is Salem.

Dent County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 47 full-time employees and 20 part-time employees on December 31, 2018.

In addition, county operations include a Senate Bill 40 Board and Senior Citizens Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

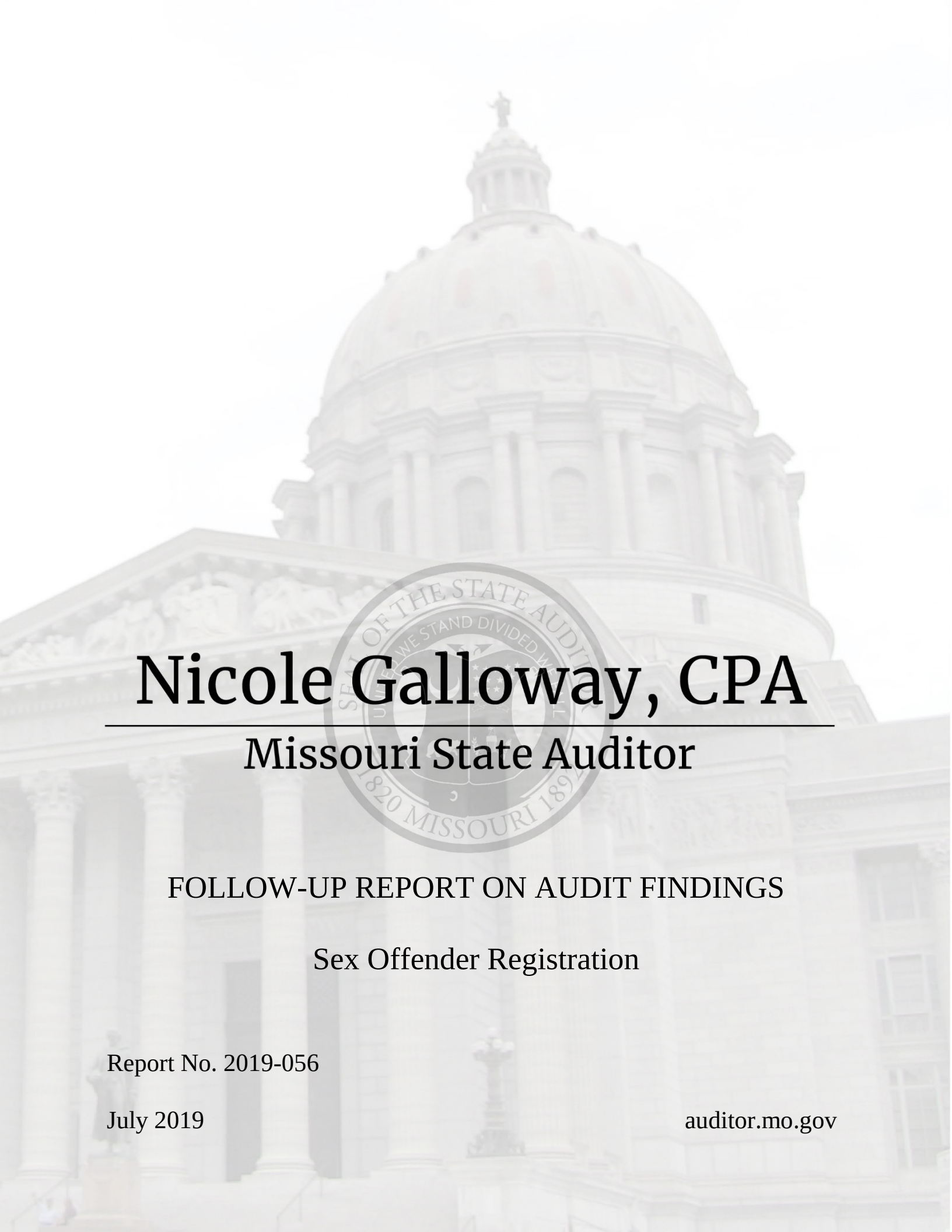
Officeholder	2019	2018
Darrell Skiles, Presiding Commissioner	$	29,060
Dennis Purcell, Associate Commissioner		27,060
Gary Larson, Associate Commissioner		27,060
Cindy Ard, Recorder of Deeds		41,000
Angie Curley, County Clerk		41,000
Andrew M. Curley, Prosecuting Attorney		139,693
Bob Wells, Sheriff		45,000
Denita Williams, County Treasurer		41,000
Gina White, County Coroner		13,000
Sherida Cook, Public Administrator		41,000
Dennis O. Medlock, County Collector (1), year ended February 28,	46,500	
Tina Whitaker, County Assessor, year ended August 31,		41,000
Craig Ruble, County Surveyor (2)		

(1) Includes $5,500 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

New sales taxes

In April 2017, voters approved 2 new 1/2-cent sales taxes for the county. A 1/2-cent sales tax expires in April 2038 and was approved for the purpose of the construction of a new jail for detention facilities, and to the extent funds are available, construction of law enforcement administrative space and an additional courtroom. The other 1/2-cent sales tax was approved for the purpose of the construction of a new jail for detention facilities, operations of the new facilities, and to the extent funds are available, construction of law enforcement administrative space and an additional courtroom. This sales tax has no expiration.



Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Sex Offender Registration

Report No. 2019-056

July 2019

auditor.mo.gov

Sex Offender Registration
Follow-Up Report on Audit Findings
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*Includes selected findings

NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Anne L. Precythe, Director
Department of Corrections
and
Julie Kempker, Chief State Supervisor
Division of Probation and Parole
and
Sandra K. Karsten, Director
Department of Public Safety
and
Colonel Eric T. Olson, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

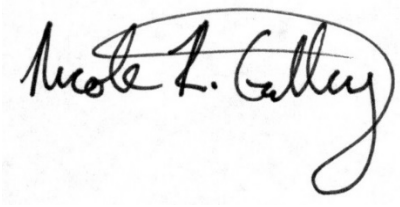
We have conducted follow-up work on certain audit report findings contained in Report No. 2018-106, *Sex Offender Registration*, issued in October 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform government officials with sex offender registration responsibilities about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by MSHP officials and held discussions with these officials. Documentation provided by the MSHP included outstanding warrant data and sex offender registration data as of February 27, 2019, and the MSHP's internal operating procedures. This report is a summary of the results of this follow-up work, which was substantially completed during March and April 2019.



Nicole R. Galloway, CPA
State Auditor

Sex Offender Registration
Follow-Up Report on Audit Findings
Status of Findings

1. Weaknesses Exist in the Enforcement of Registry Requirements

Chief Law Enforcement Officials (CLEOs) did not adequately pursue noncompliant offenders. As a result, approximately 1,300 sex offenders, including approximately 800 of the most dangerous classification of sex offenders, were not in compliance with sex offender registration (SOR) reporting requirements and their locations were unknown. Arrest warrants were not issued for the majority of these noncompliant sex offenders. In addition, CLEOs did not always require sex offenders to register in intervals required by state law and CLEOs do not always properly update the SOR registration system to identify absconding offenders. These issues resulted in some sex offenders being incorrectly identified as compliant within the SOR management system and the Missouri State Highway Patrol's (MSHP) public website.

1.1 Inadequate enforcement of sex offender requirements

The enforcement of sex offender registration requirements by CLEOs was not adequate. According to the SOR database maintained by the MSHP, 1,259 (7.9 percent) registered sex offenders were noncompliant with SOR requirements as of February 14, 2018.

Arrest warrants not being issued

Arrest warrants were not issued for approximately 91 percent of noncompliant sex offenders. We obtained a listing of outstanding warrants in April 2018 from the MSHP's Missouri Uniform Law Enforcement System (MULES) and noted that only approximately 9 percent of offenders identified as noncompliant as of the data extraction date had an active arrest warrant for noncompliance with registry requirements.

Absconder status

CLEOs did not adequately update the status of noncompliant offenders as absconders in the SOR management system. Of the 1,259 noncompliant offenders, only 239 (19 percent) were classified as absconders. However, many of these offenders were listed as noncompliant for an extended period of time without their status being updated to absconder and/or an arrest warrant being obtained for their arrest.

Recommendation

To the Chief Law Enforcement Officials of counties and the City of St. Louis:

Ensure follow-up actions are taken when noncompliant sex offenders violate registration requirements and properly update the SOR management system. In addition, when follow-up actions are not successful, pursue arrest warrants to help apprehend noncompliant offenders.

Status

In Progress

The number of noncompliant sex offenders has decreased since the issuance of the audit report on October 1, 2018. We obtained the MSHP's SOR database as of February 27, 2019, and determined the number of noncompliant sex offenders had decreased by 259 (21 percent), to a total of

1,000[1] offenders. More than half of the decrease in noncompliant offenders can be attributed to reductions in Jackson County and St. Louis City. See Appendix A for a breakdown of noncompliant offenders by county. In addition, the numbers of offenders classified as absconders has also increased, which suggests CLEOs have increased follow-up efforts of noncompliant offenders and updated the SOR database. Noncompliant offenders classified as absconders totaled 389 as of February 27, 2019, which is an increase of 150 since February 14, 2018. The percentage of noncompliant offenders classified as absconders more than doubled during the same time period, increasing from 19 percent to 39 percent.

The number of outstanding arrest warrants for noncompliance with sex offender registration requirements has also increased. The audit report indicated approximately 9 percent of noncompliant sex offenders had an outstanding warrant for noncompliance with registry requirements as of April 2018. For comparison, we obtained an updated listing of outstanding warrants and compared this listing with MSHP's sex offender registration database as of February 27, 2019. We determined that 195 noncompliant sex offenders (20 percent) had an outstanding warrant for noncompliance with registration requirements as of February 27, 2019. Of these 195 outstanding warrants, 96 (49 percent) had a warrant issuance date after the release of our audit report on October 1, 2018.

1.2 Registration dates

CLEOs did not always schedule the next registration dates for sex offenders in accordance with state law. In addition, due to errors entered by CLEOs in the next registration date field, some sex offenders avoided registration requirements while being identified as compliant within the SOR management system and the MSHP's public notification website.

We reviewed the next scheduled registration dates and the most recent registration dates for offenders identified as compliant within the SOR management system and noted 266 offenders had a scheduled next registration date 30 days greater than the applicable 6 month or 90 day interval required by state law.

[1] The MSHP's SOR database vendor implemented changes to the SOR management system's method of reclassifying offenders from compliant status to noncompliant status on February 27, 2019, as described in the status comments of finding number 2.1. In order for the data to be in a format that is comparable to the data in the audit report, we used the methodology in the system prior to the system change to determine the number of noncompliant offenders (1,000 offenders). The total number of noncompliant sex offenders after the SOR system's modification was 1,234.

Recommendation

To the Chief Law Enforcement Officials of counties and the City of St. Louis:

Ensure sex offenders are scheduled for registration dates in accordance with statutorily required intervals.

Status

In Progress

Section 589.414, RSMo, was amended effective August 28, 2019, to modify the registration intervals to every 90 days, 6 months, or annually depending on the tier level assigned to the offender. We examined the next registration dates and most recent in-person registration dates for compliant offenders in the SOR management system as of February 27, 2019.

We determined 354 offenders had a scheduled next registration date 30 days greater than the applicable statutory interval, an increase of 33 percent from data in our audit report. This gives the appearance that the number of offenders listed as noncompliant may be understated. However, in some cases, it appears the most recent in-person registration dates have not been properly updated by CLEOs; therefore, no actual noncompliance with registration intervals occurred for those cases. In other cases, it appears the registering CLEO erroneously scheduled the next registration date in excess of the statutorily-required interval. For example, we noted a likely typographical error that caused an offender to be scheduled a next registration date in May 2109, instead of May 2019.

In addition, the database indicated 709 active sex offenders did not have a tier listed in the database as a result of some CLEOs not properly updating the database. For these offenders, a calculation of whether the CLEOs scheduled the offenders' next registration dates in compliance with state law could not be conducted because the proper registration intervals could not be readily determined.

While there has been no improvement in this area, as indicated by the MSHP's response to the audit report, the MSHP plans to include an edit check in the next SOR management system that will prevent CLEOs from scheduling registration dates greater than 30 days in excess of the statutory requirements.

2. Missouri State Highway Patrol Procedures

MSHP procedures for maintaining the SOR database and supporting CLEOs' efforts to enforce SOR requirements needed improvement.

2.1 MSHP database not updated timely

The MSHP did not always update the compliance status of offenders within the SOR management system in accordance with internal policies. The MSHP maintained the SOR management system and MSHP procedures indicated the system was to run a batch job once per day that updated the compliance status of an offender. This change of status was to occur if the offender had not

registered within 7 days of the offender's next scheduled registration date entered by CLEOs.

The MSHP's SOR database contained 342 individuals classified as compliant when they should have been listed as noncompliant.

Recommendation

To the Highway Patrol:

Ensure the SOR database is updated in accordance with internal policy to accurately reflect the compliance status of sex offenders.

Status

Implemented

The MSHP's SOR database vendor modified the SOR management system's business rules to require an offender listed as compliant to be switched to noncompliant if the offender did not check in within 7 days of the scheduled registration date. This change is in agreement with the MSHP's internal policies and resulted in 234 additional sex offenders being identified as noncompliant on February 27, 2019.

2.2 Data matches

The MSHP had not established agreements with other state agencies to perform batch data matches to assist CLEOs' enforcement of SOR requirements. Such data matches would have helped CLEOs locate noncompliant offenders and identify deceased offenders.

Recommendation

To the Highway Patrol:

Obtain agreements with other state agencies that allow for batch data-matching to assist CLEOs pursue noncompliant offenders.

Status

Partially Implemented

As indicated in the MSHP's response to the audit report, the MSHP entered into an agreement with the DHSS to perform batch data-matches against death records for internal use on June 22, 2018. The MSHP considers additional batch data-matching to be of limited usefulness and does not plan to pursue additional agreements to expand the agency's batch data-matching capabilities unless requested by local law enforcement agencies. The agency plans to continue using existing agreements with the Department of Labor and Industrial Relations, the Department of Revenue, and other sources to provide assistance locating noncompliant sex offenders when requested by CLEOs.

2.3 SOR management system edit checks

The SOR management system maintained by the MSHP did not utilize adequate edit checks to identify inaccurate or inappropriate information entered by the CLEOs. The lack of adequate edit checks contributed to the following errors within the SOR database:

- Due to typographical errors by CLEOs, the next registration dates for some offenders were scheduled far into the future. For instance, some next registration dates included the years 2105, 2104, 2022, 2108, and 2107. In one case, a sex offender was incorrectly identified as compliant for approximately 2.5 years due to a CLEO's likely typographical error in the next registration date field.

- The offenders' most recent registration dates were not always accurately entered by CLEOs. Our review noted that 16 of the 25 (64 percent) registration dates reviewed were incorrect based on documentation provided by the MSHP.

- Edit checks were not in place to prevent duplicate or invalid Social Security Number (SSN) sequences from being submitted by offenders and then entered by CLEOs into the SOR database. We noted two offenders were registered using the same SSN while other offenders were registered with invalid SSN sequences, including two offenders registered with the invalid sequence of "999-99-9999."

Recommendation

To the Highway Patrol:

Ensure the new sex offender system includes adequate edit-checks to limit the input of incorrect and/or inappropriate data.

Status

In progress

The MSHP is currently implementing a new sex offender registration system. The MSHP's new system requires all data fields to comply with MSHP specifications. As noted in the MSHP's response to the audit report, the MSHP plans to request edit checks to ensure properly formatted SSN submissions and require edit checks that will limit the entry of future registration dates exceeding thirty days outside the statutory registration intervals.

3.2 Weaknesses in State Laws - School volunteer background checks

State law did not require background checks for school volunteers. Section 168.133, RSMo, required background checks for school employees, but did not require background checks for school volunteers.

Recommendation

The General Assembly consider amending state law to require school volunteers with access to students to receive background checks that include a check against the sex offender registry database.

Status

Implemented

House Bill 604 , First Regular Session, 100th General Assembly (2019), was recently passed by the General Assembly and signed into law by the Governor on July 11, 2019. Effective August 28, 2019, Section 168.133, RSMo, will be amended to require school districts to ensure screened volunteers undergo criminal background checks. Screened volunteers include office or library assistants, student mentors or tutors, coaches, and supervisors of activities occurring before or after school. School districts will also be prohibited from allowing unscreened volunteers to be left alone with a student.

This data is from the sex offender registry database as of February 27, 2019. Totals are based on offender county of residence as recorded in the database and excludes offenders with no identified county of residence. See Appendixes B, C, and D for depictions of this data in map form. Comparable data from the previous audit report is presented at Appendix F.

County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Adair	71	71	0	0.0%
Andrew	34	34	0	0.0%
Atchison	11	11	0	0.0%
Audrain	95	94	1	1.1%
Barry	106	106	0	0.0%
Barton	35	35	0	0.0%
Bates	59	55	4	6.8%
Benton	77	75	2	2.6%
Bollinger	46	44	2	4.3%
Boone	327	321	6	1.8%
Buchanan	294	283	11	3.7%
Butler	205	180	25	12.2%
Caldwell	33	33	0	0.0%
Callaway	152	151	1	0.7%
Camden	124	123	1	0.8%
Cape Girardeau	198	189	9	4.5%
Carroll	35	35	0	0.0%
Carter	27	27	0	0.0%
Cass	164	154	10	6.1%
Cedar	52	49	3	5.8%
Chariton	15	14	1	6.7%
Christian	122	120	2	1.6%
Clark	16	16	0	0.0%
Clay	375	372	3	0.8%
Clinton	57	56	1	1.8%
Cole	148	146	2	1.4%
Cooper	51	51	0	0.0%
Crawford	105	102	3	2.9%
Dade	26	25	1	3.8%
Dallas[2]	69	49	20	29.0%
Daviess	26	26	0	0.0%
DeKalb	28	28	0	0.0%

[2] Due to the significant increase in noncompliant totals from the previous report, we contacted the Dallas County Sheriff's Office. Officials indicated the large increase was the result of technical difficulties regarding the sending of SOR forms to the MSHP. Officials indicated the issue was corrected in March 2019. As of June 10, 2019, the online database showed 5 noncompliant offenders.

Appendix A
Follow-up Report on Audit Findings
Sex Offender Data by County, as of February 27, 2019

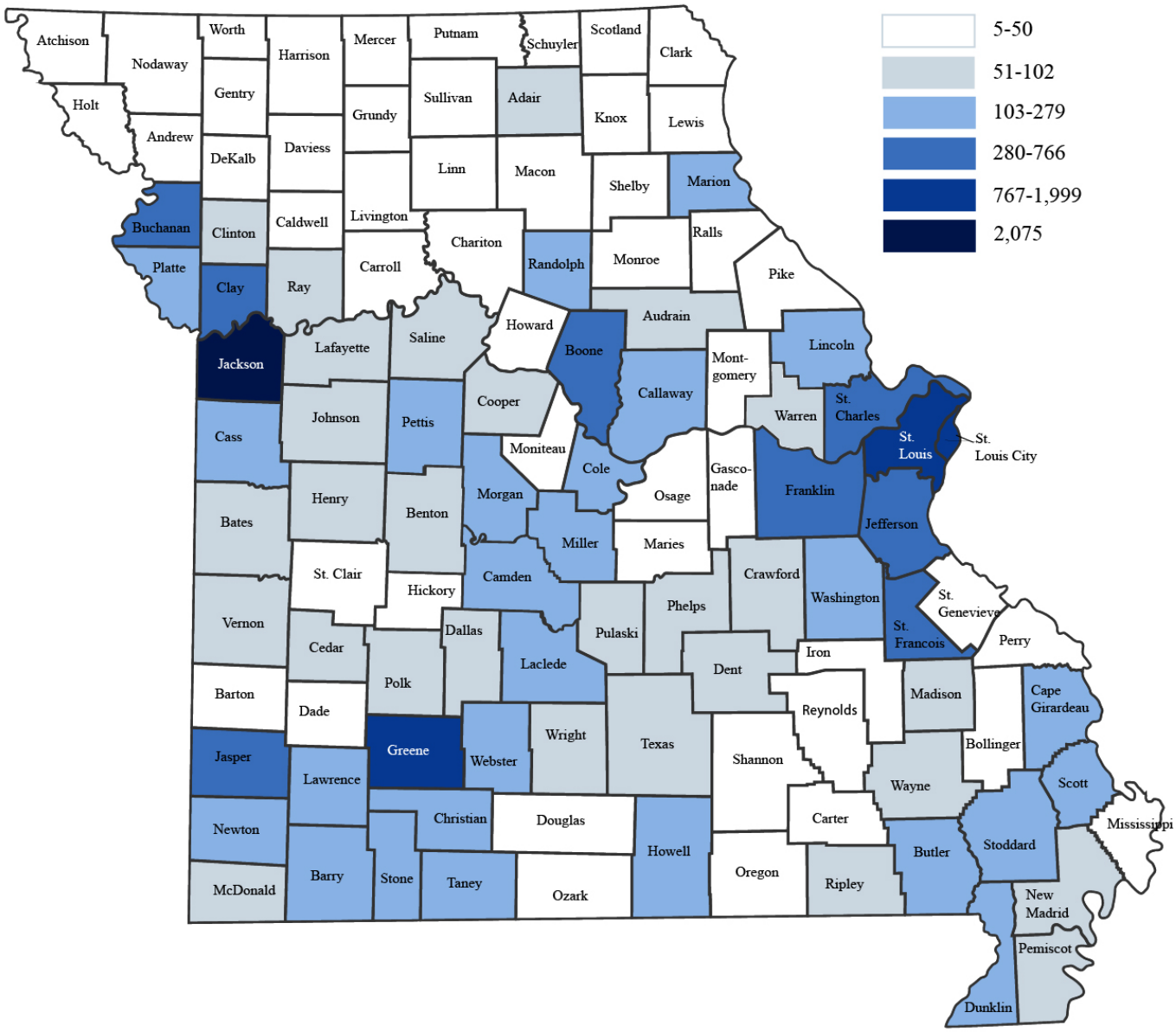
County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Dent	61	58	3	4.9%
Douglas	48	45	3	6.3%
Dunklin	139	132	7	5.0%
Franklin	285	278	7	2.5%
Gasconade	35	32	3	8.6%
Gentry	9	9	0	0.0%
Greene	804	779	25	3.1%
Grundy	24	24	0	0.0%
Harrison	28	28	0	0.0%
Henry	91	88	3	3.3%
Hickory	44	44	0	0.0%
Holt	15	15	0	0.0%
Howard	37	34	3	8.1%
Howell	145	143	2	1.4%
Iron	41	40	1	2.4%
Jackson	2,075	1,714	361	17.4%
Jasper	315	308	7	2.2%
Jefferson	470	451	19	4.0%
Johnson	97	94	3	3.1%
Knox	13	13	0	0.0%
Laclede	177	177	0	0.0%
Lafayette	76	76	0	0.0%
Lawrence	123	102	21	17.1%
Lewis	31	27	4	12.9%
Lincoln	181	180	1	0.6%
Linn	42	40	2	4.8%
Livingston	38	38	0	0.0%
Macon	47	47	0	0.0%
Madison	59	59	0	0.0%
Maries	21	17	4	19.0%
Marion	112	109	3	2.7%
McDonald	91	90	1	1.1%
Mercer	12	11	1	8.3%
Miller	101	97	4	4.0%
Mississippi	47	42	5	10.6%
Moniteau	35	33	2	5.7%
Monroe	37	37	0	0.0%
Montgomery	40	37	3	7.5%
Morgan	130	129	1	0.8%
New Madrid	80	79	1	1.3%
Newton	172	171	1	0.6%
Nodaway	37	37	0	0.0%
Oregon	30	30	0	0.0%

Appendix A
Follow-up Report on Audit Findings
Sex Offender Data by County, as of February 27, 2019

County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Osage	28	23	5	17.9%
Ozark	25	23	2	8.0%
Pemiscot	90	84	6	6.7%
Perry	31	30	1	3.2%
Pettis	186	175	11	5.9%
Phelps	106	105	1	0.9%
Pike	44	43	1	2.3%
Platte	114	104	10	8.8%
Polk	99	97	2	2.0%
Pulaski	96	95	1	1.0%
Putnam	13	13	0	0.0%
Ralls	28	28	0	0.0%
Randolph	130	129	1	0.8%
Ray	70	62	8	11.4%
Reynolds	25	23	2	8.0%
Ripley	56	52	4	7.1%
St. Charles	378	372	6	1.6%
St. Clair	29	28	1	3.4%
St. Francois	313	302	11	3.5%
St. Louis	1,664	1,648	16	1.0%
Ste. Genevieve	56	55	1	1.8%
Saline	91	91	0	0.0%
Schuyler	17	17	0	0.0%
Scotland	7	6	1	14.3%
Scott	154	146	8	5.2%
Shannon	30	30	0	0.0%
Shelby	28	28	0	0.0%
Stoddard	126	110	16	12.7%
Stone	115	111	4	3.5%
Sullivan	32	32	0	0.0%
Taney	189	181	8	4.2%
Texas	77	76	1	1.3%
Vernon	71	69	2	2.8%
Warren	82	78	4	4.9%
Washington	107	99	8	7.5%
Wayne	52	50	2	3.8%
Webster	114	109	5	4.4%
Worth	5	5	0	0.0%
Wright	78	78	0	0.0%
St. Louis City	1,248	1,092	156	12.5%
Totals	15,882	14,968	914	5.8%

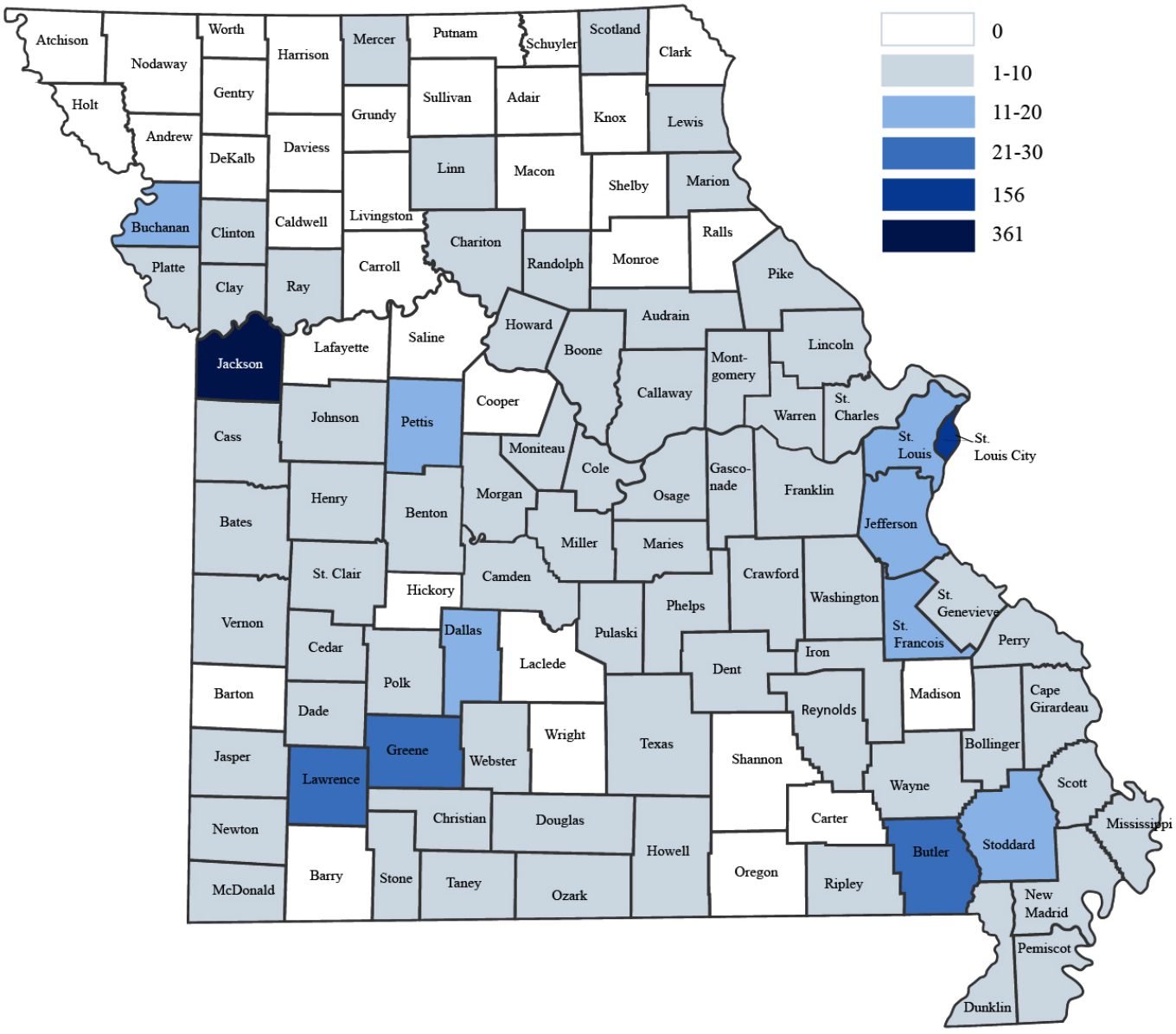
Appendix B
Follow-up Report on Audit Findings
Map of Registered Offenders by County

The map depicts the total number of registered sex offenders for each county and St. Louis City, based on the sex offender registry database as of February 27, 2019.



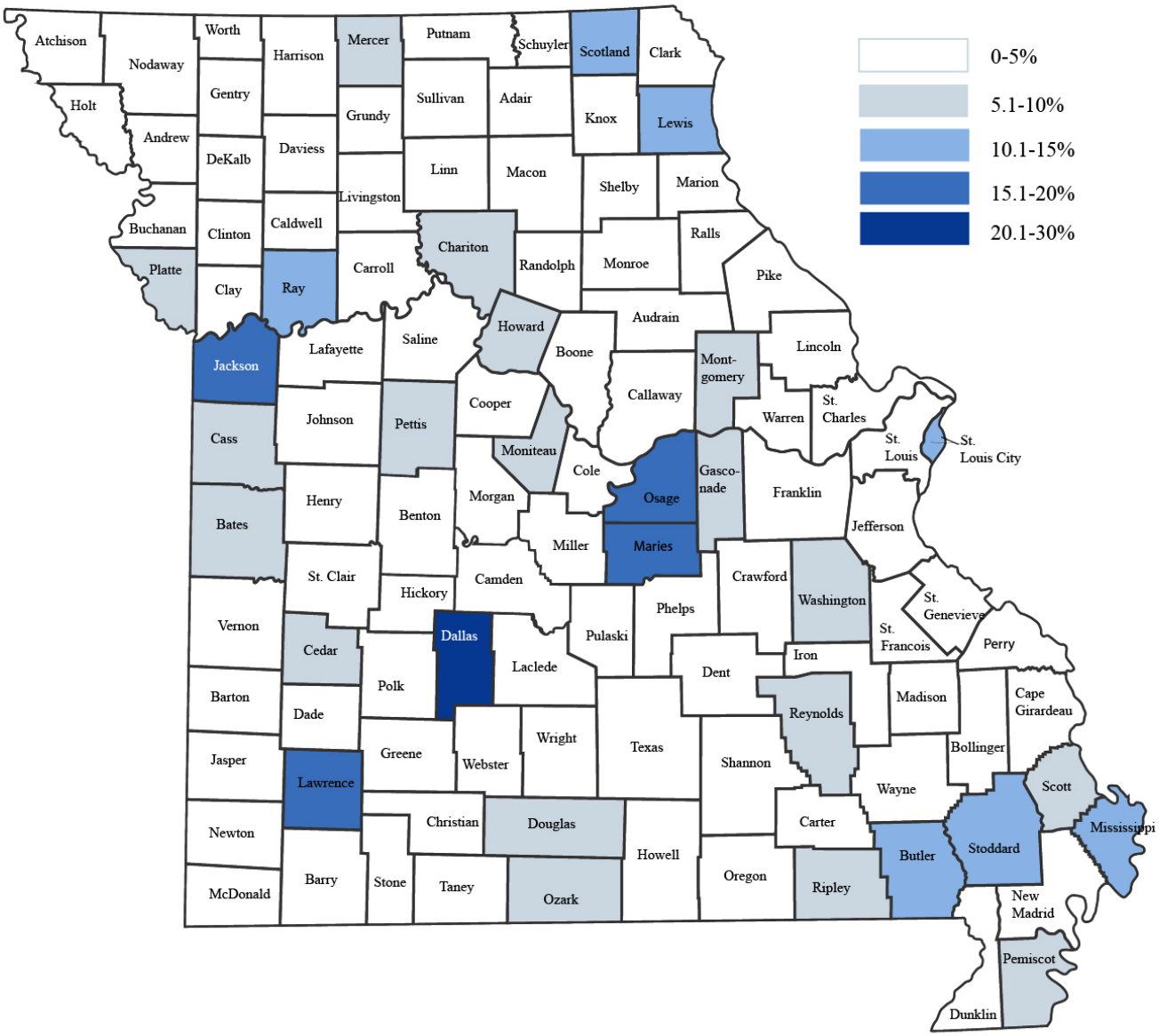
Appendix C
Follow-up Report on Audit Findings
Map of Noncompliant Offenders by County

The map depicts the number of noncompliant sex offenders for each county and St. Louis City, based on the sex offender registry database as of February 27, 2019.

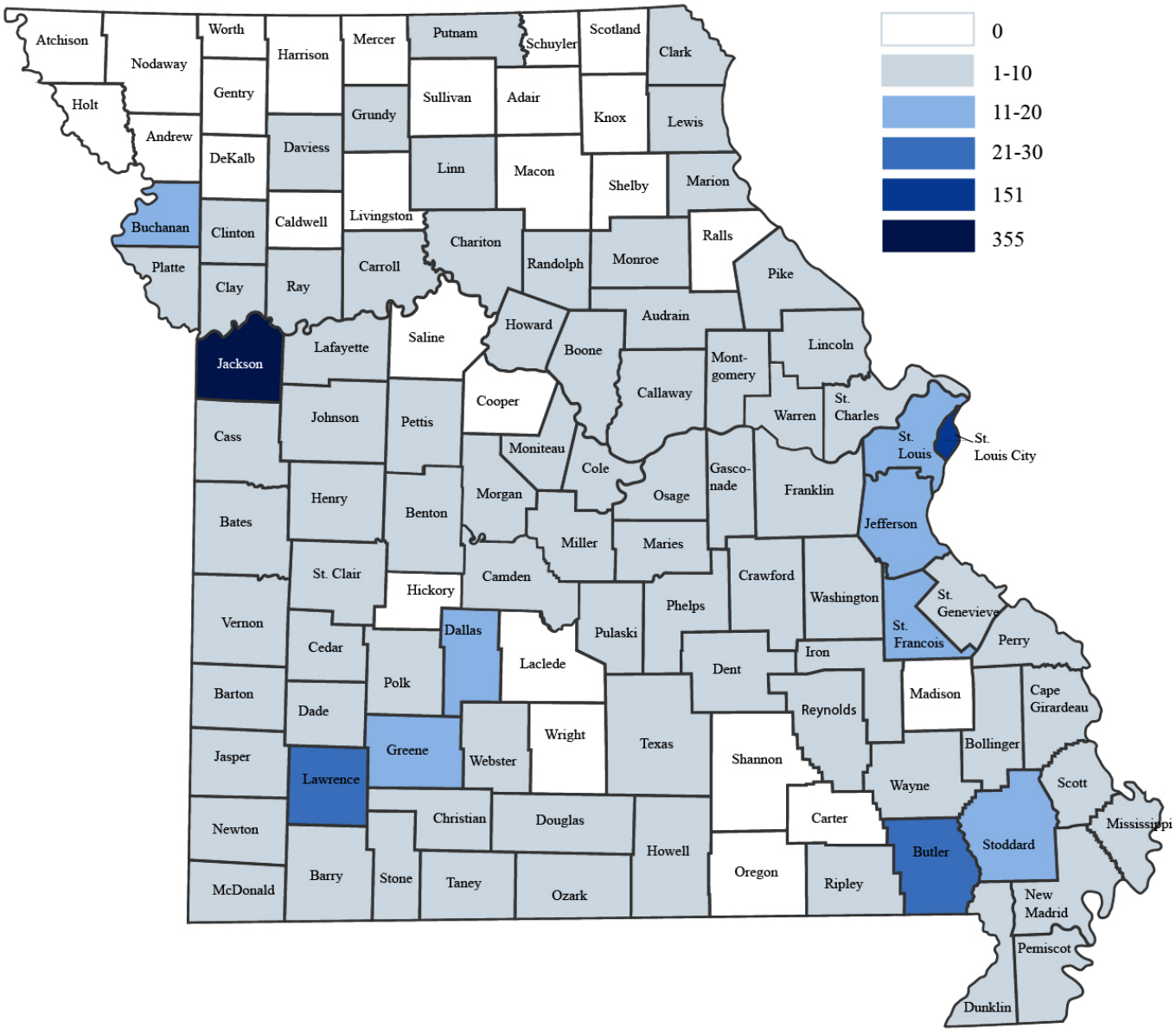


Appendix D
Follow-up Report on Audit Findings
Map of Noncompliant Offenders as a Percentage of Registered Offenders by County

The map depicts the number of noncompliant offenders as a percentage of total registered sex offenders for each county and St. Louis City, based on the sex offender registry database as of February 27, 2019.



The map depicts the number of Tier III offenders[3] identified as noncompliant for each county and St. Louis City, based on the sex offender registry database as of February 27, 2019.



[3] Tier III offenders are those who have committed the most serious offenses such as rape, sodomy, child molestation, sexual trafficking, incest, and the use or promotion of a child in a sexual performance. Tier III totals include offenders not assigned a tier by CLEOs in the sex offender registry database. The MSHP identifies offenders with no assigned tier as Tier III offenders on the MSHP's public website.

Appendix F
Follow-up Report on Audit Findings
Sex Offender Data by County, as of May 23, 2018

This data is from the sex offender registry database as of May 23, 2018, as presented in Report No. 2018-106, *Sex Offender Registration.* It is included for comparative purposes. More current data is presented in Appendix A.

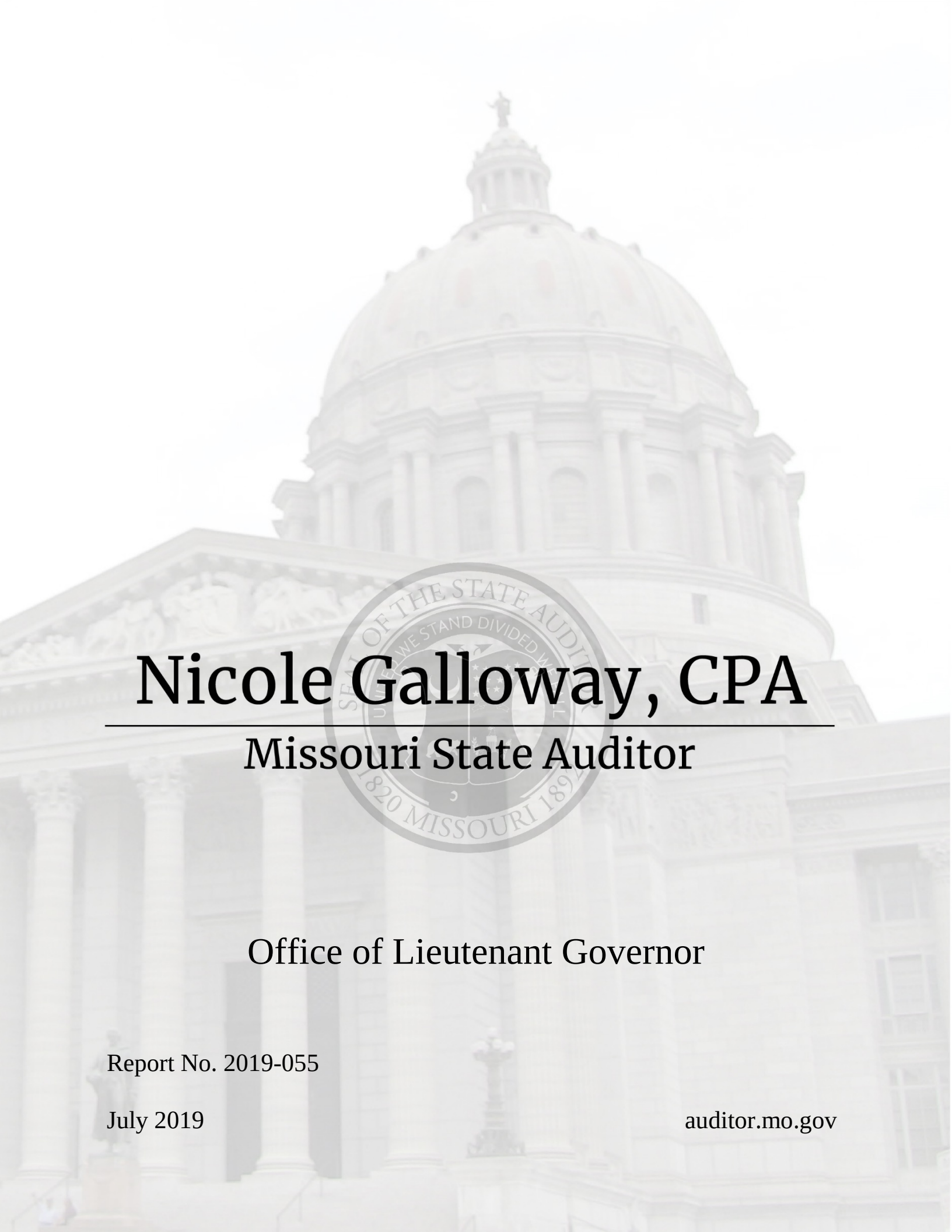
County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Adair	65	64	1	1.5%
Andrew	35	35	0	0.0%
Atchison	13	12	1	7.7%
Audrain	93	93	0	0.0%
Barry	121	116	5	4.1%
Barton	35	32	3	8.6%
Bates	63	61	2	3.2%
Benton	72	69	3	4.2%
Bollinger	48	47	1	2.1%
Boone	325	317	8	2.5%
Buchanan	280	270	10	3.6%
Butler	215	172	43	20.0%
Caldwell	31	31	0	0.0%
Callaway	156	151	5	3.2%
Camden	129	127	2	1.6%
Cape Girardeau	182	170	12	6.6%
Carroll	35	33	2	5.7%
Carter	24	24	0	0.0%
Cass	167	144	23	13.8%
Cedar	51	45	6	11.8%
Chariton	17	16	1	5.9%
Christian	128	122	6	4.7%
Clark	17	16	1	5.9%
Clay	356	348	8	2.2%
Clinton	58	57	1	1.7%
Cole	141	140	1	0.7%
Cooper	51	47	4	7.8%
Crawford	96	91	5	5.2%
Dade	27	26	1	3.7%
Dallas	64	56	8	12.5%
Daviess	27	25	2	7.4%
DeKalb	25	25	0	0.0%
Dent	63	61	2	3.2%
Douglas	42	35	7	16.7%
Dunklin	137	120	17	12.4%
Franklin	282	272	10	3.5%
Gasconade	38	36	2	5.3%
Gentry	13	13	0	0.0%

Appendix F
Follow-up Report on Audit Findings
Sex Offender Data by County, as of May 23, 2018

County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Greene	767	747	20	2.6%
Grundy	28	25	3	10.7%
Harrison	25	25	0	0.0%
Henry	82	71	11	13.4%
Hickory	40	40	0	0.0%
Holt	15	15	0	0.0%
Howard	37	34	3	8.1%
Howell	132	129	3	2.3%
Iron	38	38	0	0.0%
Jackson	2,125	1,686	439	20.7%
Jasper	291	285	6	2.1%
Jefferson	474	459	15	3.2%
Johnson	94	93	1	1.1%
Knox	15	15	0	0.0%
Laclede	173	170	3	1.7%
Lafayette	71	70	1	1.4%
Lawrence	119	105	14	11.8%
Lewis	30	28	2	6.7%
Lincoln	179	177	2	1.1%
Linn	37	36	1	2.7%
Livingston	34	34	0	0.0%
Macon	45	45	0	0.0%
Madison	57	55	2	3.5%
Maries	20	19	1	5.0%
Marion	114	110	4	3.5%
McDonald	83	80	3	3.6%
Mercer	13	12	1	7.7%
Miller	103	98	5	4.9%
Mississippi	47	41	6	12.8%
Moniteau	33	31	2	6.1%
Monroe	36	34	2	5.6%
Montgomery	39	36	3	7.7%
Morgan	126	124	2	1.6%
New Madrid	71	70	1	1.4%
Newton	177	176	1	0.6%
Nodaway	38	37	1	2.6%
Oregon	34	33	1	2.9%
Osage	26	24	2	7.7%
Ozark	22	21	1	4.5%
Pemiscot	95	82	13	13.7%
Perry	29	29	0	0.0%
Pettis	160	146	14	8.8%
Phelps	95	94	1	1.1%

Appendix F
Follow-up Report on Audit Findings
Sex Offender Data by County, as of May 23, 2018

County	Number of Offenders	Number Compliant	Number Noncompliant	Percent Noncompliant
Pike	41	40	1	2.4%
Platte	120	108	12	10.0%
Polk	98	96	2	2.0%
Pulaski	96	95	1	1.0%
Putnam	15	14	1	6.7%
Ralls	28	27	1	3.6%
Randolph	129	125	4	3.1%
Ray	74	67	7	9.5%
Reynolds	21	20	1	4.8%
Ripley	51	49	2	3.9%
St. Charles	377	371	6	1.6%
St. Clair	32	31	1	3.1%
St. Francois	301	292	9	3.0%
St. Louis	1,613	1,596	17	1.1%
Ste. Genevieve	48	47	1	2.1%
Saline	94	94	0	0.0%
Schuyler	15	15	0	0.0%
Scotland	6	6	0	0.0%
Scott	151	139	12	7.9%
Shannon	26	24	2	7.7%
Shelby	27	25	2	7.4%
Stoddard	115	86	29	25.2%
Stone	105	102	3	2.9%
Sullivan	26	25	1	3.8%
Taney	172	164	8	4.7%
Texas	76	69	7	9.2%
Vernon	75	72	3	4.0%
Warren	85	83	2	2.4%
Washington	104	96	8	7.7%
Wayne	51	46	5	9.8%
Webster	119	103	16	13.4%
Worth	5	5	0	0.0%
Wright	70	68	2	2.9%
St. Louis City	1,265	1,021	244	19.3%
Totals	15,622	14,419	1,203	7.7%



Nicole Galloway, CPA

Missouri State Auditor

Office of Lieutenant Governor

Report No. 2019-055

July 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of Lieutenant Governor

Lieutenant Governor Travel and Calendar	The Lieutenant Governor's office did not take adequate measures to minimize the Lieutenant Governor's travel costs. The office paid travel costs for the Lieutenant Governor to attend entertainment events that did not appear necessary to office operations or a reasonable use of state funds. The office often did not follow office policy or state travel regulations when making travel decisions and submitting mileage reimbursements. The office did not retain a complete, accessible calendar of the Lieutenant Governor's activities.
Vehicles	The Lieutenant Governor's office did not prepare documentation justifying the purchase of two vehicles, and the need for these vehicles is questionable because they were infrequently used. Office personnel did not maintain complete vehicle usage logs.
Payroll and Timekeeping	Payments to one intern totaling $2,330 (233 work hours) were not supported by timesheets. Employee timesheets were not always reviewed by a supervisor or reconciled to the SAM II system and two employees received holiday leave in excess of official state holidays.
Personnel Procedures	The Lieutenant Governor's office did not perform criminal background screenings on employees or potential employees. The office did not prepare written job descriptions for the positions of director of tourism and marketing, director of veterans and senior affairs, and intern. The office did not have adequate controls to ensure timely removal of SAM II system user accounts of terminated employees.
Employee Purchases	The Lieutenant Governor's office purchased several items through employee reimbursements, rather than the normal purchasing process or use of state issued purchasing cards. As a result, the office reimbursed a former Chief of Staff $525 twice for the same item, and without adequate supporting documentation.
Capital Assets	Records and procedures to account for Lieutenant Governor's office property were not adequate.

In the areas audited, the overall performance of this entity was **Fair**.*

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Office of Lieutenant Governor
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Honorable Mike Kehoe, Lieutenant Governor
Jefferson City, Missouri

We have audited certain operations of the Office of Lieutenant Governor, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period January 9, 2017 to June 1, 2018. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.

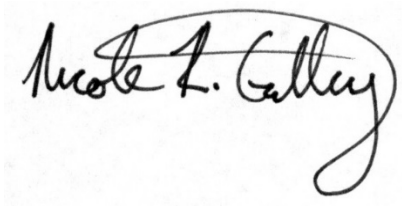
2. Evaluate the office's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Lieutenant Governor.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Tessa Rusatsi, CPA
Audit Staff:	Charity Grotzinger, CGAP

Office of Lieutenant Governor
Introduction

Background

The lieutenant governor is required to meet the same qualifications as the governor. The lieutenant governor is elected for a 4-year term. On January 9, 2017, Michael L. Parson was inaugurated as the forty-seventh lieutenant governor of Missouri. He served in this role until June 1, 2018, when he was sworn in as Missouri's fifty-seventh governor upon the resignation of Governor Eric R. Greitens. His term as lieutenant governor was to expire in January 2021. Governor Parson appointed Mike Kehoe as lieutenant governor to fill the remainder of the term and he was sworn in on June 18, 2018.

The Office of Lieutenant Governor is located in Jefferson City. During his term of office, Lieutenant Governor Parson resided near Bolivar, about 114 miles southwest of Jefferson City.

Required duties

The duties of the lieutenant governor are prescribed by the Missouri constitution and state law.

Constitutional duties include serving as the ex officio president of the Missouri Senate and voting in the event of a tie vote; presiding as governor when the governor is absent from the state or disabled; and fulfilling the remainder of the term of governor upon the death, conviction, impeachment or resignation of the governor.

By statute, the lieutenant governor is to serve on the following boards and commissions:

- Missouri State Capital Commission
- Board of Public Buildings
- Missouri Development Finance Board
- Missouri Housing Development Commission
- Board of Fund Commissioners
- Tourism Commission
- Missouri Community Service Commission
- Special Health, Psychological and Social Needs of Minority Older Individuals Commission

Other statutory duties include advocating for senior citizens and serving as advisor to the Department of Elementary and Secondary Education on the early childhood education and parents as teachers programs.

Initiatives

Similar to other recent lieutenant governors, Lieutenant Governor Parson promoted various discretionary initiatives. He advocated for military veterans as was the practice of previous lieutenant governors. He developed the Buy Missouri program to promote products that are grown, manufactured, processed, and/or made in Missouri. For this program, the office produced and included on the Lieutenant Governor's website, informational videos for about 15 Missouri manufacturers. Also, Lieutenant Governor Parson served

as co-chair for the Missouri affiliate of the not-for-profit Jobs for America's Graduates program, a national program to support youth to graduate from high school and transition into college and careers. His travel costs often related to these discretionary initiatives.

Employees and expenditures

Throughout Lieutenant Governor Parson's term, the office had 5 to 6 full-time employees in the following positions:

- Chief of staff
- Executive assistant
- Director of communications
- Director of constituent services
- Director of veterans and senior affairs
- Director of tourism and marketing

The director of tourism and marketing position was created and filled in June 2017. The Director of Veterans and Senior Affairs was terminated in December 2017 and was not replaced. During Lieutenant Governor Parson's term, two individuals served as Chief of Staff (one from January to June 2017 and the other from July 2017 to June 2018), and two individuals served as Director of Communications (one from January to December 2017 and the other from December 2017 to June 2018). In addition, the office employed 2 part-time interns. During his term, expenditures for salaries and wages totaled about $477,000, or about 76 percent of total expenditures ($626,000).

A significant portion of the office's non-salary expenditures related to travel. The Lieutenant Governor, interns, Director of Tourism and Marketing, Chief of Staff, and Director of Communications often traveled throughout the state for various purposes. The Lieutenant Governor frequently traveled for meetings, speaking engagements, and other purposes. Much of the Director of Tourism and Marketing's travel related to the Buy Missouri program. During Lieutenant Governor Parson's term, travel-related expenditures including mileage reimbursements, charges for usage of vehicles from the Office of Administration (OA) vehicle fleet, lodging, meals, commercial transportation, fuel, and vehicle repairs totaled about $15,850, or about 11 percent of the office's non-salary expenditures.

In January 2018, the Lieutenant Governor traveled to Hawaii to attend a ceremony related to the USS Missouri submarine. An office press release indicated military foundations sponsored the trip. According to a former office official, the Lieutenant Governor's travel expenses for that trip were funded by private entities, but private sources paid for no other office costs.

Office of Lieutenant Governor
Management Advisory Report
State Auditor's Findings

1. Lieutenant Governor Travel and Calendar

The Lieutenant Governor's office did not take adequate measures to minimize the Lieutenant Governor's travel costs. The Lieutenant Governor primarily used his personal vehicle to travel. During his term (January 9, 2017 to June 1, 2018), he received mileage reimbursements totaling approximately $8,600 for 118 trips. In addition, office personnel did not properly retain and archive an official calendar.

1.1 Unnecessary trips

The Lieutenant Governor's office paid travel costs for the Lieutenant Governor to attend entertainment events that did not appear necessary to office operations or a reasonable use of state funds. The Lieutenant Governor was reimbursed:

- $57 for round trip mileage from Bolivar to Branson to attend a 50th anniversary country gospel musical performance on Sunday, June 30, 2017.
- $224 to attend a performance by the University of Missouri Kansas City Conservatory of Music and Dance on Friday, November 10, 2017. The reimbursement included $122 for lodging and $102 for round trip mileage from Bolivar to Kansas City.
- $111 for round trip mileage from Jefferson City to Kansas City on Saturday, December 16, 2017. His expense report indicated he attended an "event with Clark Hunt at Arrowhead Stadium." Missouri Ethics Commission records indicate a lobbyist provided the Lieutenant Governor with tickets for the football game that day.
- $133 for round trip mileage from Jefferson City to Branson to attend the premier of a theatrical performance on Saturday, March 2, 2018.

According to a former office official, the Lieutenant Governor was invited to each of these events; however, the office did not maintain documentation supporting the business purpose of these trips. Code of State Regulations, 1 CSR 10-3.010(1), requires that state payment of goods and services have a clear business relationship to the agency work program. The Lieutenant Governor's office should ensure funds are used only for costs necessary and beneficial to office operations.

1.2 Vehicular travel reimbursements

The Lieutenant Governor's office often did not follow office policy or state travel regulations when making travel decisions and submitting mileage reimbursements.

Cost-effective method of travel

The Lieutenant Governor used his personal vehicle and received mileage reimbursements when other travel options were more cost effective. In addition, for some trips, the office could not provide documentation that an evaluation of the most cost-effective method of travel had been performed.

The office purchased a vehicle in both November 2017 and January 2018. In addition, for travel considerations of state agencies, the Office of Administration (OA) maintains a fleet of vehicles in Jefferson City, and has contracts with car rental companies with vehicle locations throughout the state including sites in Jefferson City and Bolivar. The OA maintains a Trip Optimizer website for state employees to determine the most cost-effective method of travel. The calculation is based on the employee's location, the trip destination, and the number of travel days and considers the costs of using a rental vehicle or state fleet vehicle, or reimbursing an employee for use of a personal vehicle.

The office did not prepare a Trip Optimizer report or other cost calculation for 40 of the Lieutenant Governor's 118 trips. In addition, for 47 of the 78 trips where a trip optimizer report was prepared, the report indicated an OA fleet vehicle or rental vehicle was a lower-cost option than personal mileage reimbursement. According to the trip optimizer reports, the potential cost savings for these 47 trips totaled about $2,100. For 15 of the 16 trips that began and ended in Jefferson City and after the purchase of the two vehicles, the Lieutenant Governor used his personal vehicle and received mileage reimbursement when at least 1 of the office vehicles was available on the trip date(s). The office did not maintain documentation explaining why the lower-cost option or office vehicles were not used for these trips.

Additional mileage to and/or from residence

For some trips, the Lieutenant Governor was reimbursed additional mileage to and/or from his Bolivar residence than the mileage to and/or from his official domicile in Jefferson City. Of 83 trips that began and/or ended at his residence, the Lieutenant Governor received additional mileage reimbursements totaling $584 for 20 trips where the mileage to and/or from his residence was higher than the mileage to and/or from Jefferson City. The office maintained no documentation justifying the business necessity for reimbursing the additional mileage to and/or from the Lieutenant Governor's residence.

Conclusion

The office's Policies and Procedures Manual states the office will follow state travel regulations. Code of State Regulations, 1 CSR 10-11.030, requires officials and employees select the most cost-effective travel method, retain documentation to justify any exceptions to the requirement, and use the Trip Optimizer or another equivalent method to calculate travel costs.[1] Additionally, 1 CSR 10-11.010 requires mileage be reimbursed and computed between the travel site destination and the official domicile or residence, if leaving directly from the residence, whichever is less. The regulation states official domicile shall be the actual working or headquarters location of an

[1] In May 2019, these provisions were incorporated into 1 CSR 10-11.010 and 1 CSR 10-11.030 was rescinded.

employee or official as best serves the interest of the state and not for the convenience or benefit of the employee. The Lieutenant Governor should follow the travel regulations to ensure travel is conducted in the most cost-effective manner.

1.3 Official calendar

The office did not retain a complete, accessible calendar of the Lieutenant Governor's activities. Office personnel kept a calendar in an email account; however, the calendar was not properly retained or transferred to the Missouri State Archives. The office retained a computer screen print of the calendar by event date for only the period January to June 2017 and the screen prints did not include the full text entries of many events. Upon our request, office personnel obtained from the OA - Information Technology Services Division (ITSD), hundreds of files supporting the calendar events for Lieutenant Governor Parson's term; however, the files were not (1) in a calendar format, (2) listed chronologically by event date, and (3) searchable. Consequently it was difficult and cumbersome to determine the Lieutenant Governor's activities by date. Also, the records generally noted the date, time, and location of scheduled events, and the person(s) with whom he met; but the business nature of the meeting or event was often not documented.

Good governance and the conduct of state business requires transparency, openness, and accountability. Also, the Secretary of State's Agency Records Disposition Schedule requires elected officials transfer calendars to the Missouri State Archives upon completion of the official's term of office. The Lieutenant Governor should maintain and properly archive an official calendar that is maintained chronologically by event date and adequately details the nature and official duties of all travels and office functions.

Recommendations

The Office of Lieutenant Governor:

1.1 Ensure future expenditures are necessary and reasonable for the operation of the office.

1.2 Follow the office's travel policy and state travel regulations requiring the state employees, including elected officials, use the most cost-effective method of travel. If circumstances require a higher-cost travel method or additional mileage to and/or from a personal residence, documentation should be maintained for the justification.

1.3 Maintain an official calendar chronologically by event date that details the official duties of the Lieutenant Governor's official activities, and archive the calendar in accordance with guidelines of the Secretary of State.

Auditee's Response

Former Lieutenant Governor Parson's written response, provided by the current General Counsel to the Governor, is included at Appendix A.

Current Lieutenant Governor Kehoe's written response is included at Appendix B.

Auditor's Comment

1.1 Former Lieutenant Governor Parson's response states the Lieutenant Governor's office only paid for the Lieutenant Governor to travel to events that had a business relationship to his work. For the trips addressed in the audit finding, the Lieutenant Governor was reimbursed travel costs to attend entertainment events; however, no documentation was maintained to support the trips were for business purposes. During audit fieldwork and the exit process, we requested such documentation from current and former personnel of the Lieutenant Governor's office; however, no one provided this documentation. To maintain transparency and demonstrate compliance with state travel regulations, reimbursements for travel expenses associated with entertainment events should be supported by clear, detailed documentation to support that the expenses were necessary for the operation of the office.

1.2 Former Lieutenant Governor Parson's response states the process used by the Lieutenant Governor's office complied with state travel regulations in effect at the time; however, as explained in the audit finding, the office did not document compliance with these requirements. The response also indicates other factors may have been considered when travel decisions were made; however, as noted in the audit finding, such factors were not documented. The regulations require that documentation be retained to justify any exceptions to the requirements. For example, if the Trip Optimizer system fails to provide a travel option (as suggested in the response) office personnel should document that situation and perform an alternative evaluation.

2. Vehicles

Procedures and controls over vehicle purchases and usage were not adequate.

The Lieutenant Governor's office purchased two used sport utility vehicles (SUVs), costing about $33,000, in November 2017 and January 2018. Previously, employees primarily used OA fleet vehicles for travel. As previously indicated, the Lieutenant Governor primarily traveled in his personal vehicle, rather than office vehicles or other methods. Lieutenant Governor Kehoe disposed of one of the vehicles shortly after taking office, reducing the fleet to one vehicle.

2.1 Purchases

The Lieutenant Governor's office did not prepare documentation justifying the purchase of the vehicles, and the need for these vehicles is questionable because they were infrequently used.

Prior to purchasing the vehicles, during the 12-month period of January to December 2017, office employees used OA vehicles during 33 days at a cost of $1,567 (average of $47 per day). During the 5-month period of January to May 2018, vehicle logs show one vehicle was used during 22 days (21 percent of total business days during the period) and the other vehicle during 19 days (18 percent of total business days).

According to former office officials, the vehicles were needed for transporting equipment related to the Buy Missouri program and for other office travels. The OA vehicle fleet and state car rental contracts include SUVs, but office personnel did not have documentation analyzing the cost effectiveness of owning the vehicles.

To ensure efficient use of state resources, the Lieutenant Governor's office should analyze vehicle utilization and costs of owning vehicles versus other travel methods before making decisions to purchase vehicles. Justification supporting the decisions should be documented.

2.2 Usage logs

The Lieutenant Governor's office did not maintain complete vehicle usage logs. The usage log for one vehicle did not include the trips during the months of November and December 2017; and for one trip totaling 359 miles, the log did not include the date, purpose, and destination. The usage log for the other vehicle did not include the purpose or destination for one trip totaling 422 miles.

Complete and accurate vehicle usage logs are necessary to document the appropriate use of vehicles and to support fuel purchases and maintenance expenses. The logs should be periodically reviewed for completeness and reasonableness.

Recommendations

The Office of Lieutenant Governor:

2.1 Before making future vehicle purchases, analyze vehicle utilization and costs of owning vehicles versus other travel methods and prepare documentation to support the justification for buying a vehicle.

2.2 Maintain complete and accurate vehicle usage logs, and periodically review the logs for completeness and reasonableness.

Auditee's Response

Former Lieutenant Governor Parson's written response, provided by the current General Counsel to the Governor, is included at Appendix A.

Current Lieutenant Governor Kehoe's written response is included at Appendix B.

3. Payroll and Timekeeping

Payroll and timekeeping procedures were not adequate and an intern was paid $2,330 without proper support for amounts paid.

Each semi-monthly pay period, the Chief of Staff reported employee leave taken and intern hours worked to the OA for entry into the Statewide Advantage for Missouri (SAM II) system. During Lieutenant Governor Parson's term, the office employed 8 people in 6 positions and 2 part-time interns.

3.1 Intern pay

Payments to one intern totaling $2,330 (233 work hours) were not supported by timesheets. Timesheets were not prepared for 5 of the 13 pay periods for this intern. For each of these periods, the intern was paid $10 per hour for 37 to 47 hours of work. For two other pay periods, the intern received pay for a total of 16 hours in excess of the number of hours recorded on the timesheets. These unsupported payments represented approximately half of the total wages ($4,820) received by the intern.

As noted in MAR finding number 4.2, written job descriptions were not prepared for the intern position. According to a former Chief of Staff, the interns primarily worked on the Buy Missouri program.

The office's Policies and Procedures Manual and Internal Control Plan require timesheets indicating the number of work and leave hours be prepared for each pay period and submitted to the chief of staff for approval. Properly prepared timesheets would document hours actually worked, support amounts paid, and provide information necessary to monitor tasks performed.

3.2 Timesheets and leave

Employee timesheets were not always reviewed by a supervisor or reconciled to the SAM II system and two employees received holiday leave in excess of official state holidays. Our review of 18 timesheets for 10 employees and related leave balances in the SAM II system identified the following concerns:

- Twelve timesheets did not contain indication of supervisory review and approval. Two of these timesheets were for a Chief of Staff.

- Sick leave and/or annual leave balances on 6 timesheets did not agree to the leave balances in the SAM II system with differences ranging from 4 hours to 13 hours. In addition, two timesheets showed leave taken (8 hours sick leave and 14 hours compensatory time off), but no leave usage was reported in the SAM II system for the related pay period. Office personnel did not reconcile leave balances per the timesheets to the SAM

II system and no one could provide an explanation for the differences noted.

- Two timesheets included holiday leave in excess of the official state holiday (8 hours) by 16 hours for one employee and 2 hours for another employee. For Christmas Day 2017, the timesheet for the first employee included 8 hours of holiday leave on 3 days (Friday December 22, Monday December 25, and Tuesday December 26) and the timesheet for the other employee included 10 hours of holiday leave on December 25. One of these timesheets had no indication of supervisory review and approval.

The office's Policies and Procedures Manual and Internal Control Plan require timesheets be submitted to the chief of staff for approval, and the Internal Control Plan requires timesheets for the chief of staff to be approved by the lieutenant governor. Proper review and approval of timesheets is necessary to ensure the accuracy of the hours worked, leave taken, and payroll amounts. In addition, reconciliations of timesheets to the SAM II system are necessary to ensure all leave taken is recorded in the SAM II system.

Recommendations

The Office of Lieutenant Governor:

3.1 Ensure complete and accurate timesheets are prepared for all employees and timesheets agree to amounts paid.

3.2 Ensure employee timesheets are reviewed by a supervisor in accordance with office policy. In addition, the office should establish procedures to reconcile employee leave balances to SAM II system balances and ensure holiday leave is granted in accordance with official state holidays.

Auditee's Response

Former Lieutenant Governor Parson's written response, provided by the current General Counsel to the Governor, is included at Appendix A.

Current Lieutenant Governor Kehoe's written response is included at Appendix B.

4. Personnel Procedures

The Lieutenant Governor's office did not perform criminal background screenings on employees, prepare employee job descriptions for some employees, or promptly remove SAM II system user accounts for terminated employees.

4.1 Background screening

The Lieutenant Governor's office did not perform criminal background screenings on employees or potential employees.

The office's Internal Control Plan indicates thorough background checks are to be performed during the hiring process. The state background check policy (SP-10) issued by the OA requires state agencies to perform pre-employment criminal history record checks on persons under final job consideration, and for current employees, the policy requires background checks for employees performing sensitive job duties and for employees in management positions when no previous background check was performed. Additionally, the OA's SAM II Financial Policies and Procedures require agencies to perform criminal background checks for all employees needing access to the SAM II system. Performing background checks on new employees reduces exposure to potential liabilities and helps safeguard office personnel and assets.

4.2 Employee job descriptions

The Lieutenant Governor's office did not prepare written job descriptions for the positions of director of tourism and marketing, director of veterans and senior affairs, and intern.

Job descriptions are needed to clarify the duties, responsibilities, required qualifications, and reporting relationships of each position to help prevent misunderstandings among employees and supervisors about performance expectations.

4.3 Terminated SAM II user account controls

The Lieutenant Governor's office did not have adequate controls to ensure SAM II system user accounts of terminated employees were timely removed. Three prior administration employees, terminated in January 2017, continued to have access to the SAM II system until termination of their user accounts in September 2017.

The OA's SAM II Financial Policies and Procedures require agencies using the SAM II system to regularly review access to identify accounts belonging to terminated users and request the OA remove the user's access to the system. Without effective procedures to timely remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets.

Recommendations

The Office of Lieutenant Governor:

4.1 Ensure background checks are conducted on all employees.

4.2 Prepare job descriptions for all positions.

4.3 Establish procedures to ensure SAM II system user accounts of terminated employees are timely removed.

Auditee's Response

Former Lieutenant Governor Parson's written response, provided by the current General Counsel to the Governor, is included at Appendix A.

Current Lieutenant Governor Kehoe's written response is included at Appendix B.

Auditor's Comment

4.3 Former Lieutenant Governor Parson's response states the Lieutenant Governor's office conducted regular reviews in order to properly limit access to the SAM II system. However, as evidenced in the finding, these reviews were not conducted effectively and/or within sufficient frequency to ensure timely removal of access for terminated employees.

5. Employee Purchases

The Lieutenant Governor's office purchased several items through employee reimbursements, rather than the normal purchasing process or use of state issued purchasing cards. As a result, the office reimbursed one item twice, and without adequate supporting documentation. During his term, the Lieutenant Governor and 4 employees received reimbursements totaling about $7,100 for various office purchases including recognition awards, promotional supplies, equipment, organization memberships, and administrative supplies.

We reviewed 11 office purchases reimbursed to the Lieutenant Governor and employees and noted a Chief of Staff was reimbursed $525 twice, in October 2017 and November 2017, for the same item. The October reimbursement was supported only by a price quote rather than a vendor invoice and the November reimbursement was not supported by an invoice or other proof of purchase. After we discussed this issue with office personnel, the former Chief of Staff provided the invoice supporting the purchase and reimbursed the $525 overpaid. Although, the office's Policies and Procedures Manual requires expense reports be supported by attached proof of purchase, a former office official indicated she did not notice the duplicate claim or lack of supporting documentation when she approved the reimbursement.

Due to the nature of the employee expense reimbursement process, reimbursing employees for office purchases increases the risk of improper expenditures. For smaller purchases, state agencies can participate in the OA's purchasing card program that provides policies and procedures over access and use of purchasing cards. The office should consider participating in this program. If the practice of allowing employees to purchase items and be reimbursed is continued, procedures should be established to ensure purchases are proper and necessary and comply with office policy.

Recommendation

The Office of Lieutenant Governor discontinue the practice of allowing employees to purchase items and be reimbursed and consider utilizing state purchasing cards for smaller purchases. If this practice is continued, procedures should be established to ensure purchases are proper and necessary and comply with office policy.

Auditee's Response

Former Lieutenant Governor Parson's written response, provided by the current General Counsel to the Governor, is included at Appendix A.

Current Lieutenant Governor Kehoe's written response is included at Appendix B.

Auditor's Comment

Former Lieutenant Governor Parson's response states the Lieutenant Governor's office required employees seeking reimbursement for purchases to supply appropriate proof of purchase. However, for the overpayment identified during the audit, the office reimbursed the employee without such documentation.

6. Capital Assets

Records and procedures to account for Lieutenant Governor's office property were not adequate. As of June 1, 2018, 14 assets totaling about $21,000 were recorded in the SAM II system capital asset records.

Office personnel did not update SAM II system capital asset records for acquisitions and dispositions, and did not perform annual physical inventories. All 5 capital assets totaling about $39,000 purchased during Lieutenant Governor Parson's term were not included in the capital asset records. In addition, 1 of the 5 items (valued at $1,800) tested as part of the capital asset records test could not be located. A former office official indicated the item had been disposed of, but not removed from the capital asset records.

The office's Policies and Procedures Manual and Internal Control Plan require asset acquisitions and dispositions be timely recorded, all assets be inventoried annually, and the office follow the inventory policies and procedures in state regulations. Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items $1,000 or more, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition. An annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory, and documentation should be maintained of the physical inventory including the date, personnel performing the procedure, assets verified, and any adjustments needed to the inventory records. In addition, departments are required to establish controls over sensitive items less than $1,000.

The failure to maintain a complete and accurate inventory listing reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. In addition, annual inventories are necessary to establish proper accountability over capital assets.

Recommendation

The Office of Lieutenant Governor ensure complete and accurate capital asset records are maintained and annual physical inventories are conducted for all property.

Auditee's Response

Former Lieutenant Governor Parson's written response, provided by the current General Counsel to the Governor, is included at Appendix A.

Current Lieutenant Governor Kehoe's written response is included at Appendix B.

Overall Auditor's Comment

Former Lieutenant Governor Parson's response to several findings (numbers 2.1, 4.2, and 5) states it is outside the scope of the State Auditor's Office to provide oversight and manage the discretion of office holders. Each of these findings identified a lack of adequate documentation and support for purchases and/or management decisions. Office holders are responsible for ensuring management decisions are properly documented.

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101

(573) 751-3222
WWW.GOVERNOR.MO.GOV

Michael L. Parson
GOVERNOR
STATE OF MISSOURI

June 21, 2019

Missouri State Auditor's Office
John Lieser, Audit Manager
State Capitol, Room 121
Jefferson City, MO 65101

Dear Sir:

Please see the below responses to the post-audit you conducted of the Lieutenant Governor's Office. The numbered paragraphs correspond to the numbered findings contained in the draft of the report you provided.

1.1 Unnecessary Trips Auditee's Response:

While serving as Lieutenant Governor, auditee prioritized his public support for Missouri tourism as he faithfully and aggressively fulfilled the duties of his position. Necessarily, this involved traveling and participating in certain events around the state.

In July of 2017, the Lieutenant Governor traveled to the 50th Anniversary celebration of the Pressley's Family Jubilee. The purpose of this travel was to recognize the Pressley family for the work they do to support tourism in Missouri. In fact, the Lieutenant Governor presented a proclamation at this event on behalf of the Lieutenant Governor's Office.

In November of 2017 the Lieutenant Governor traveled to the University of Missouri Kansas City in order to attend an annual event promoting the internationally recognized University of Missouri Kansas City Conservatory.

In December of 2016 the Lieutenant Governor traveled to Arrowhead Stadium in order to meet with Clark Hunt, the owner of the Kansas City Chiefs, and local business leaders in order to promote tourism. The Lieutenant Governor had his own tickets as part of his personally owned season ticket package and attended the Kansas City Chiefs game held at Arrowhead stadium subsequent to his aforementioned meeting.

In March of 2018, the Lieutenant Governor traveled to Branson, Missouri, in order to attend Billy Yates' opening night event to initiate his show in Branson. It should go without saying that Branson is one of the nation's top tourist destinations and an important part of Missouri's tourism industry. The aforementioned travel was directly related to the role of the Lieutenant Governor in promoting tourism in Missouri.

The Lieutenant Governor's Office only paid for the Lieutenant Governor to travel to events that had a business relationship to his work. For each of these events the Governor was requested to attend in his role as Lieutenant Governor. The Auditor has not directed the auditee to any independent authority that defines what constitutes the business of the Lieutenant Governor. Instead, the responsibility to define what constitutes the business of the Lieutenant Governor is properly left to the discretion of the officeholder. The Lieutenant Governor used his personal vehicle for travel to these events because his travel was often for multiple purposes and it was more economically efficient to take one vehicle rather than return to Jefferson City to return a fleet vehicle prior to resuming travel. The Auditor offers no finding the Lieutenant Governor misused state vehicles or sought reimbursement for person travel.

1.2 Vehicular Travel Reimbursements Auditee's Response:

Section 37.450, RSMo (2002) vests the Office of Administration with authority to manage usage of the state's vehicle fleet. The Office of Administration has promulgated regulations to govern the selection of the most cost effective form of travel for state employees. Specifically, the Commissioner of Administration is granted discretion by 1 CSR 10-11.010(5) to approve or disapprove of travel reimbursement. The Office of Administration approved all requests the Lieutenant Governor and his staff made for business travel. The process used by the Lieutenant Governor's Office complied with the version 1 CSR 10-11.010 in effect during the relevant period and the Office of Administration approved each of the travel expenditures highlighted in the post-audit.

In addition, the post-audit treats the Trip Optimizer as dispositive without acknowledging that the regulation states it only "assists in determining the most cost effective travel option." 1 CSR 10-11.030(6). This is not the only regulation limiting the use of the Trip Optimizer. For example, 1 CSR 10-11.030(4) states that "all relevant factors" should be considered in determining the most cost effective method of vehicular travel. Moreover, 1 CSR 10-11.010(6) requires employees seeking reimbursement for official travel to utilize a "prudent person" standard when making these decisions.

It is also important to note that on more than one occasion, when staff employed by the Lieutenant Governor's Office were attempting to utilize the Trip Optimizer, the system failed to provide a travel option. This resulted in omissions in the documentation of travel decisions that were beyond staff control.

1.3 Official Calendar Auditee's Response:

The Auditee acknowledges this recommendation.

2.1 Vehicle Purchases Auditee's Response:

The post audit criticizes the purchase of two used state vehicles but fails to mention the fact that the purchase and usage of the used vehicles at issue were made within the appropriated budget, approved by the Office of Administration, and were subject to an oversight report provided by the Office of Administration to the General Assembly. *See* 37.450, RSMo (2002) (vesting the Office of Administration with authority to manage the purchase of state vehicles). Instead of acknowledging these statutory safeguards, this post-audit would impermissibly create its own additional oversight to the statutory and regulatory framework already provided.

The reasoning for these purchases were well within the Lieutenant Governor's discretion and were purchased in coordination with the office's expansion of programming. Specifically, the vehicles were needed to assist with transporting multiple employees and large display items all at once in association with promoting tourism. This additional oversight is outside the scope of the Auditor's Office and instead serves as an attempt to impermissibly manage the discretion of office holders.

2.2 Usage Logs Auditee's Response:

The Lieutenant Governor's Office maintained a small staff and kept a busy schedule. Despite this imbalanced relationship, the staff attempted to comply with the complicated regulations governing travel and the necessary documentation. Any oversights or omissions concerning travel log documentation would be the result of clerical oversight and the recency of the administration.

3.1 Intern Pay Auditee's Response:

The Lieutenant Governor's Office made necessary reports to the Office of Administration to ensure employees, including interns, were properly remunerated for the time they worked. If discrepancies exist in the timesheets that would be the result of clerical error in data entry.

3.2 Timesheets and Leave Auditee's Response:

The Lieutenant Governor's Office required employees to report when they took time off and what kind of leave they used. The Lieutenant Governor's Office also required leave slips be approved by supervisory staff. Any oversight or omission in documentation was the result of clerical error in data entry.

4.1 Background Screening Auditee's Response:

Auditee acknowledges this recommendation as it applied to some employees and offers that the recency of that administration and clerical error were factors.

4.2 Employee Job Descriptions Auditee's Response:

The Auditor fails to cite to any actual requirement mandating job descriptions or guiding how that process of recording job descriptions would work. Such a task should fall under the purview and discretion of the Lieutenant Governor if not for any other reason than to allow the elected office holder to allow employee job flexibility due to the myriad of tasks that each employee would perform. It is outside the scope of the Auditor's Office to impermissibly manage the discretion of office holders.

4.3 Terminated SAM II User Accounts Auditee's Response:

The Lieutenant Governor's Office conducted regular reviews in order to properly limit access to the SAM II system. Employees who had SAM II access and then left employment with the Lieutenant Governor's Office were identified in the review process and their access was terminated. The post-audit further does not demonstrate that any staff member improperly accessed the SAM II system.

5. Employee Purchases Auditee's Response:

The Lieutenant Governor's Office purchased items necessary to the performance of the business of the office. The Lieutenant Governor's Office required employee's seeking reimbursement for purchases supply appropriate proof of purchase. It is outside the scope of the Auditor's Office to manage the discretion of office holders.

6. Capital Assets Auditee's Response:

The capital asset at issue in this finding (asset valued at $1,800) was an obsolete phone system that was replaced by the Office of Administration Information Technology Systems Department. The Lieutenant Governor's Office neither requested nor bore responsibility for the removal of the obsolete phone system. To the extent the assets were not properly recorded in asset records the oversight or omission in documentation was the result of human error in data entry.

General comments:

The Auditor has conducted a post-audit for an office holder that only lasted one-and-a-half years of the usual four years. The brevity of the Lieutenant Governor's term was due to extenuating circumstances. Many of the Auditor's findings were the direct result of a new office that was itself evolving into new and expanded roles.

However, some of the Auditor's findings exceed the mandate of a post-audit and encroach upon the Lieutenant Governor's discretion to make purchases and manage his office. This point is further emphasized by not only the nature, but also the number of findings when comparing this post-audit to previous post-audit reports of the Lieutenant Governor's Office.

I respectfully request that any new information or reasoning that would be included in the final audit, and not already provided in the draft post-audit (whether it be in response to this letter or otherwise), be furnished to me with an opportunity to respond before anything is published.

If I can be of any future assistance please feel free to contact me.

Respectfully,

Christopher K. Limbaugh
General Counsel
Office of the Governor, Michael L. Parson

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 224
JEFFERSON CITY, MISSOURI 65101

PHONE: (573) 751-4727
FAX: (573) 751-9442
MIKE.KEHOE@LTGOV.MO.GOV

MIKE KEHOE
LIEUTENANT GOVERNOR
STATE OF MISSOURI

July 12, 2019

The Honorable Nicole Galloway
Missouri State Auditor
201 W. Capitol Ave Rm 121
Jefferson City, MO 65102

Dear Auditor Galloway,

I have read and acknowledge the audit report and will take it into consideration going forward.

Sincerely,

Mike Kehoe

Appendix C-1

Office of Lieutenant Governor
Statement of Appropriations and Expenditures
Period July 1, 2017 to June 1, 2018

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
GENERAL REVENUE FUND				
Personal Service	$ 457,748	327,781	14,841	115,126
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	31,432	31,432	0	0
Expense and Equipment	80,677	71,296	4,960	4,421
Total General Revenue Fund	$ 569,857	430,509	19,801	119,547

Appendix C-2

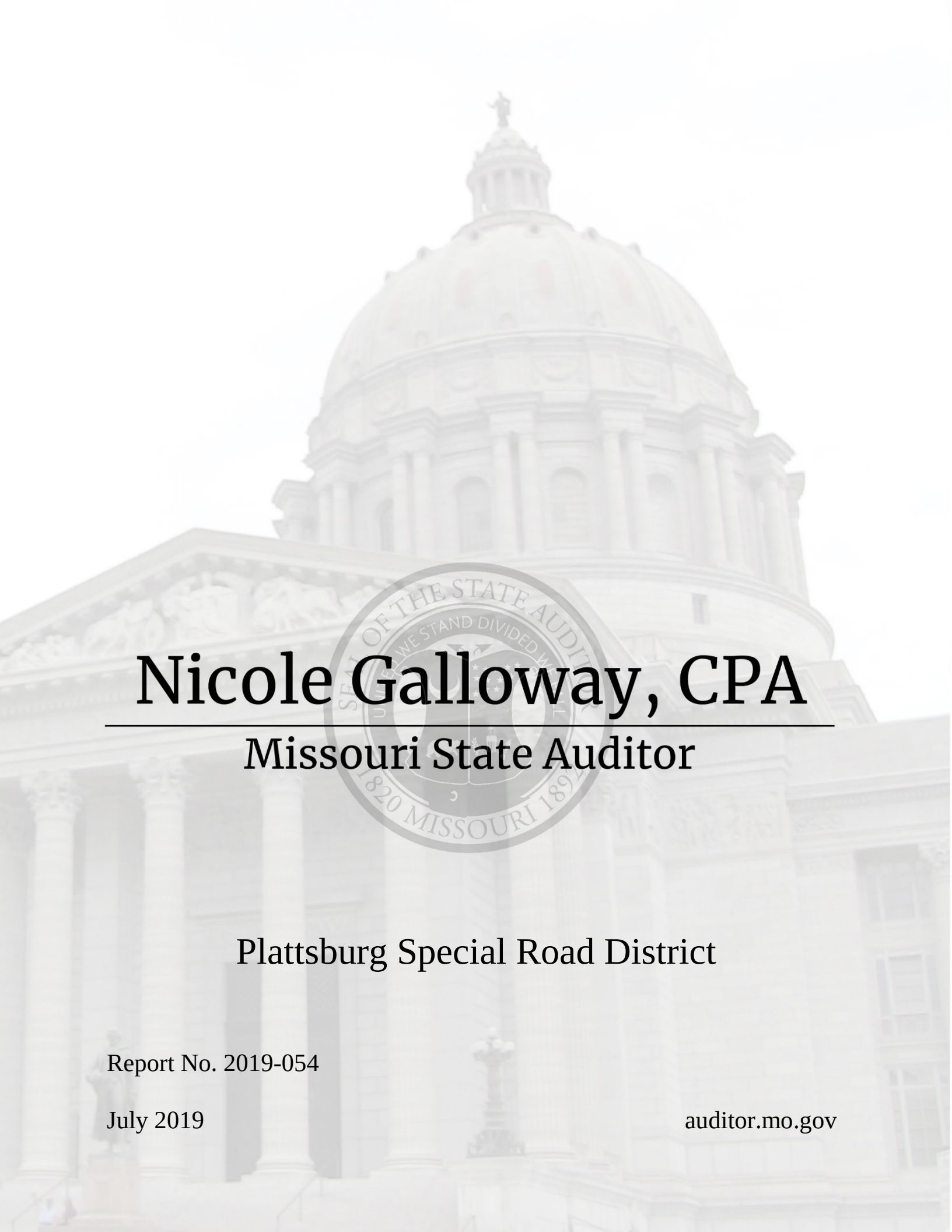
Office of Lieutenant Governor
Statement of Appropriations and Expenditures
Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	$ 176,477	134,663	41,814
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	9,406	9,406	0
Expense and Equipment	43,641	31,580	12,061
Total General Revenue Fund	$ 229,524	175,649	53,875

Appendix D

Office of Lieutenant Governor
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Salaries and wages	$ 348,024	370,934	383,000	345,958	321,185
Travel, in-state	9,889	6,839	3,215	3,811	902
Travel, out-of-state	1,877	0	437	5,098	2,770
Supplies	14,640	7,443	4,984	4,556	3,595
Professional development	125	400	0	4,800	2,812
Communication services and supplies	12,930	7,018	5,813	6,419	6,283
Services:					
Professional	4,239	4,308	4,897	3,158	941
Maintenance and repair	81	0	294	0	0
Motorized Equipment	33,350	0	0	0	0
Office equipment	1,776	12,507	0	0	0
Building lease payments	31,432	29,708	30,032	30,500	32,316
Equipment rental and leases	0	25	40	71	88
Agency provided food	91	76	2,246	1,640	1,678
Total Expenditures	$ 458,454	439,258	434,958	406,011	372,570



Nicole Galloway, CPA

Missouri State Auditor

Plattsburg Special Road District

Report No. 2019-054

July 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Plattsburg Special Road District

Background

The former bookkeeper, who served as the appointed district Secretary/Treasurer, Ava Langner, performed work for the district from April 14, 2011, until her termination by the Board effective October 15, 2018. Ava Langner was considered an independent contractor, but never entered into a formal contract with the district. As Secretary/Treasurer, Ava Langner was solely responsible for the financial accounting functions and records of the district.

In late September 2018, the State Auditor's Office (SAO) Whistleblower Hotline received a complaint questioning the allocation of district funds, and alleging overpayments made to the Secretary/Treasurer and improper charges made on a credit card paid for using district funds. The SAO sent a letter dated October 4, 2018, to the Board of Commissioners notifying them that our office was conducting an initial review of the allegations and requested records be provided to our office. Upon receipt of our letter the Secretary/Treasurer admitted to a Board member that she had stolen monies from the district for her personal use. On October 15, 2018, the Board requested/authorized the SAO to conduct an audit, and the SAO agreed to conduct the audit. The SAO issued subpoenas to Ava Langner and Langner Enterprises, LLC on December 3, 2018, to compel her testimony and require her to produce records and documents. The SAO also issued subpoenas to Chase Bank and Ameren to produce records related to Ava Langner's personal and company transactions paid using district funds.

In October 2018, the Board contacted the Clinton County Prosecuting Attorney regarding these concerns. The Prosecuting Attorney referred this matter to the Missouri State Highway Patrol (MSHP) and the Federal Bureau of Investigation (FBI). Investigations by the MSHP and FBI are ongoing.

Misappropriated Monies

Between April 14, 2011, and October 15, 2018, monies totaling at least $286,615 were misappropriated from the district. Improper payments totaling $156,739 were made to the Secretary/Treasurer's company. The Secretary/Treasurer also used $125,642 of district monies to pay personal credit card bills. Personal credit card statements showed she may have spent over $30,000 on business products to operate her 2 personal businesses. Also, she spent $17,000 at construction and home improvement stores and $14,000 on travel and entertainment. The Secretary/Treasurer also earned an additional $1,634 of credit card rewards from credit card purchases using district monies. The Secretary/Treasurer also made improper payments totaling $2,600 using district monies for personal and company bills. The Secretary/Treasurer may have created/modified 31 meeting minutes after she was terminated on October 15, 2018, with 26 of the 31 meeting minutes created/modified shortly after our office served her and her company subpoenas to obtain records. At least 4 meeting minute files may have been created to reflect increases in monthly fees paid to the Secretary/Treasurer's company in an attempt to conceal or reduce the amount of improper payments.

The Secretary/Treasurer falsified the district's published financial statements to conceal $131,154 of payments made to her company and $76,879 of

	payments for her personal credit card bills. We identified significant differences in receipts, disbursements, and ending cash balances reported on published financial statements in comparison to the accounting records for 2017, 2016, 2015, and 2014, that helped conceal the district's declining financial condition.
Oversight and Bond Coverage	The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the Secretary/Treasurer. The district did not have bond coverage for district employees or officials.
Accounting Controls and Procedures	The Board's review and approval of disbursements and bank activity was insufficient, and provided no assurance that district funds were spent properly. The Board did not have adequate controls over checks, and accounting records maintained by the Secretary/Treasurer were not accurate. The Secretary/Treasurer did not always record or deposit receipts timely. The district did not enter into a written contract with Langner Enterprises, LLC for bookkeeping services detailing services to be rendered or the amount of compensation. The majority of invoices, and all bank records, accounting records, and meeting minutes were maintained by the Secretary/Treasurer at her company or her home, and some records could not be located.
Payroll	The Board approved year-end bonuses to the Secretary/Treasurer and employees contrary to state law and the Secretary/Treasurer did not timely remit federal payroll taxes.
Budgets and Financial Reporting	Neither the Board nor the Secretary/Treasurer prepared budgets for the past 8 years (2011 through 2018), or submitted a financial report to the SAO as required by state law for 5 years (2012 through 2016). The financial report for 2017 was not filed timely.

In the areas audited, the overall performance of this entity was **Poor**.*

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Plattsburg Special Road District
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Board of Commissioners
Plattsburg Special Road District

We have audited certain operations of the Plattsburg Special Road District as they relate to the district's finances in fulfillment of our duties under Chapter 29, RSMo. Due to concerns regarding missing monies and improper payments, the State Auditor initiated the audit with the approval of the Plattsburg Special Road District Board of Commissioners. The scope of our audit included, but was not necessarily limited to the period from April 14, 2011, through October 15, 2018. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.

2. Evaluate the district's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

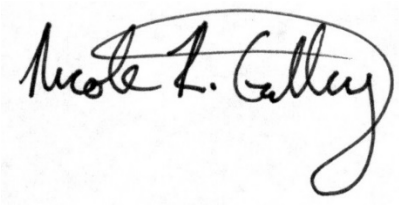
4. Determine the extent of monies misappropriated from the district.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) misappropriated monies totaling at least $286,615. The accompanying Management Advisory Report presents our findings arising from our audit of the Plattsburg Special Road District.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	Marian Rader, M.Acct., CPA, CFE, CGFM
Audit Staff:	Misty Bowen, MSED
	Ethan D. Evans
	Samantha A. Bull

Background

The former bookkeeper, who served as the appointed district Secretary/Treasurer, Ava Langner, performed work for the district from April 14, 2011, until her termination effective October 15, 2018. Ava Langner was considered an independent contractor, but never entered into a formal contract with the district. As Secretary/Treasurer, Ava Langner was solely responsible for the following financial accounting functions and records of the district:

- Receipts - collecting and recording all monies received by the district, and preparing and making bank deposits.

- Disbursements - maintaining supporting documentation (all disbursements are to be supported by invoices or other documentation), preparing and distributing checks, posting payments to the accounting records, and transferring monies between bank accounts.

- Payroll - calculating, preparing, and distributing payroll checks (including checks related to the payment of payroll taxes); posting payments to the accounting records; and preparing 941 and W-2 forms.

- Bank accounts - receiving and reconciling monthly bank statements to accounting records.

- Reporting - preparing Board meeting minutes and financial reports.

In late September 2018, the State Auditor's Office (SAO) Whistleblower Hotline received a complaint questioning the allocation of district funds, and alleging overpayments made to the Secretary/Treasurer and improper charges made on a credit card paid for using district funds. Under Section 29.221, RSMo, the SAO sent a letter dated October 4, 2018, to the Board of Commissioners notifying them that our office was conducting an initial review of the allegations to determine if the complaint was credible and requested records be provided to our office. Upon receipt of our letter the Secretary/Treasurer admitted to a Board member that she had stolen monies from the district for her personal use. On October 15, 2018, the Board terminated the Secretary/Treasurer and requested/authorized the SAO to conduct an audit, and the SAO subsequently agreed to conduct the audit under Chapter 29, RSMo. The SAO issued subpoenas to Ava Langner and Langner Enterprises, LLC on December 3, 2018, to compel her testimony[1] and require her to produce records and documents (see Appendixes E and F). The SAO also issued subpoenas to Chase Bank and Ameren to produce records related

[1] On December 27, 2018, an attorney of the State Auditor's Office took the testimony of the Secretary/Treasurer. This testimony was given under oath and was recorded by a court reporter.

to Ava Langner's personal and company transactions paid using district funds (see Appendixes G and H).

The district's fiscal year is January 1 through December 31. The scope of our audit included, but was not necessarily limited to the period April 14, 2011, through October 15, 2018, the time period during which the Secretary/Treasurer served the district. In coordination with law enforcement officials, we applied procedures to district receipt and disbursement transactions to determine the amount of misappropriated monies, and the methods used to perpetrate and conceal the theft. During the time period Ava Langner served as the Secretary/Treasurer, she also owned Langner Enterprises, LLC (aka Lathrop Accounting Associates, LLP) and Have Another Cup (a coffee shop).

Criminal investigation

In October 2018, the Board contacted the Clinton County Prosecuting Attorney regarding these concerns. The Prosecuting Attorney referred this matter to the Missouri State Highway Patrol (MSHP) and the Federal Bureau of Investigation (FBI). Investigations by the MSHP and FBI are ongoing.

Plattsburg Special Road District
Management Advisory Report
State Auditor's Findings

1. Misappropriated Monies

Between April 14, 2011, and October 15, 2018, monies totaling at least $286,615[2] were misappropriated from the district. During this period, the Secretary/Treasurer, Ava Langner, made improper payments to her company (Langner Enterprises, LLC referred to as Langner Enterprises throughout the remainder of the report) totaling $156,739. The Secretary/Treasurer also used district monies to pay personal credit card bills totaling $125,642 and obtained $1,634 in credit card rewards points related to transactions paid for using district funds. The Secretary/Treasurer also made other improper payments for personal and company bills totaling at least $2,600.

Appendixes A, B, and D provide details regarding the improper payments from the district's account. Appendix C shows details regarding personal credit card activity. Appendixes E and F show subpoenas issued to Ava Lea Langner and Langner Enterprises, LLC. Appendixes G and H show subpoenas issued to Chase Bank and Ameren related to Ava Langner's personal and company transactions paid using district funds.

The following table provides a summary of the amounts misappropriated.

Type of Improper Payment or Benefit	April 14 to December 31, 2011	Year ended December 31, 2012	2013	2014	2015	2016	2017	January 1 to October 15, 2018	Total
To Langner Enterprises, LLC (Appendix A)	$ 1,714	3,500	7,121	8,300	12,021	51,511	57,872	14,700	156,739
For personal credit card bills (Appendix B)						12,215	64,665	48,762	125,642
Credit card rewards earned						131	881	622	1,634
For personal or business utility bills (Appendix D)						276	1,368		1,644
For personal hotel costs (Appendix D)						363	124	469	956
Total Misappropriation	$ 1,714	3,500	7,121	8,300	12,021	64,496	124,910	64,553	286,615

The Secretary/Treasurer's misappropriation of district funds significantly affected the district's financial condition. The district's bank balances decreased significantly from $119,400 at December 31, 2015, to $6,929 at October 15, 2018, the period during which the majority of the theft occurred.

[2] Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in the report appendixes are not rounded.

Improper payments to Langner Enterprises

Improper payments totaling $156,739 were made to the Secretary/Treasurer's company from April 2011 through September 2018. A comparison of all checks written to Langner Enterprises to legitimate monthly fee amounts and year-end bonuses showed overpayments totaling $156,739 (see Appendix A).

The Board appointed the Secretary/Treasurer's company to provide bookkeeping services for a monthly fee, but did not enter into a contract. In her sworn deposition, the Secretary/Treasurer indicated the Board did not enter into a written contract with her company regarding these services and that her starting pay in 2011 was $350 per month, and that the Board approved periodic increases usually amounting to $50 per month. Based on this information, discussions with Board members, and actual recurring monthly fees paid to Langner Enterprises each year, we are considering $350 per month during 2011, 2012, and 2013, $450 per month during 2014 and 2015, and $500 per month during 2016 to be legitimate payments. Despite discrepancies identified regarding the preparation of the December 2016 meeting minutes, we are considering $600 per month during 2017 and 2018 as the legitimate monthly fees.

The Board also approved one-time annual bonuses to the Secretary/Treasurer of $350 in December 2011, $300 in December 2013 and 2016, and $400 in December 2012 and 2015. As later discussed, there is some uncertainty regarding the December 2011 bonus amount. During the period April 2011 through mid-October 2018, a maximum of 96 payments should have been issued to Langner Enterprises. However, the Secretary/Treasurer issued 211 checks to Langner Enterprises with the checks representing improper payments, legitimate payments, or a combination of improper and legitimate payments. While all checks were signed by at least one Board member, the Board members indicated checks were often signed in advance.

The amounts of numerous checks issued to Langner Enterprises far exceeded the legitimate monthly fees of $350, $450, $500, and $600. Langner Enterprises received 44 checks for $1,500, 20 checks for $1,800, 11 checks for $1,000, 7 checks for $900, 3 checks for $2,000, 3 checks for $1,350, 3 checks for $1,200, 3 checks for $800, 3 checks for $750, 2 checks for $700, and 10 checks for other amounts ranging from $650 to $3,800. Some of these checks included a combination of improper and legitimate payments.

The Secretary/Treasurer also recorded the purpose of payments made to her company in the district's accounting system using false purposes. Of the 211 payments totaling $199,525, she recorded 162 in the accounting system as accounting fees ($157,472); however, only 91 payments should have been recorded to this purpose and 5 payments should have been recorded as bonuses. In addition, she recorded 17 payments as general account ($19,175), 5 as outside contract services ($4,200), 4 as bridge account ($7,450), 3 as shop supplies ($1,150), 3 as telephone, telecommunications ($1,171), 2 as

facility repairs ($850), 2 as 96 International ($1,100), and 2 as office supplies ($921). She recorded 10 other payments ($5,686) using 10 other purposes (96 Ford pickup, general road and bridge operation, 90 GMC dump truck, road grader, 2009 Ford pickup, BMY dump truck 1990, culvert replacement/repair, supplies, accounting fees and office supplies combined, and diesel). One check written for $350 was not recorded in the accounting system. The Secretary/Treasurer recorded the name and address of her company in the memo line of the checks.

The numerical sequence and timing of when some of the checks were issued was unusual. Thirty-nine of the 211 checks were issued out of numerical sequence. In addition, check number 2125 was issued out of numerical sequence and dated April 15, 2011. This check did not clear the bank until October 19, 2011, and check numbers 2107 through 2128 (excluding 2125) were issued in October 2011, giving the appearance that this check was likely back dated.

Meeting minutes

Documentation indicates the Secretary/Treasurer may have created/modified meeting minutes after she was terminated on October 15, 2018. The Secretary/Treasurer provided electronic files for minutes pertaining to 49 meetings. The properties[3] for 18 of these electronic files show the files were created within a reasonable period of meeting dates. Meeting minutes should be prepared shortly following the meeting date and approved by the Board at the following monthly meeting. The properties for 31 of these electronic files show the files were created/modified in October and December of 2018 after her termination. Twenty-six of the 31 files were created/modified on December 3, 5, or 6, 2018, shortly after our office served her and her company with subpoenas requiring her to provide testimony and produce district records and documents. In addition, 5 of the 49 meeting minute files were incomplete. For example, some meeting minutes did not detail meeting attendees and included incomplete sentences.

We identified at least 4 instances that meeting minute files may have been created so that minutes would reflect that the Board authorized increases in monthly fees in an attempt to conceal or reduce the amount of improper payments.

[3] The software used to document the meeting minutes details properties such as dates each file was created, modified, and printed.

Date of Meeting	Date Minutes were Created		Payment Amount per Minutes		Actual Payment Amount
12/08/11	12/06/18		$ 350	(1)	300
12/13/12	12/06/18		450	(2)	350
12/12/13	12/06/18		500	(2)	450
12/10/15	10/29/18	(3)	550	(2)	500

(1) Meeting minutes created documented the year-end bonus amount.

(2) Meeting minutes created documented the authorized monthly payment amount paid to Langner Enterprises.

(3) Meeting minutes were modified on December 6, 2018.

The actual check issued on December 13, 2011 (the date employees were issued year-end bonus payments), totaled $300 instead of the $350 noted in the 2011 meeting minutes (created on December 6, 2018). No checks were written to Langner Enterprises for $450 during 2013, $500 during 2014, or $550 during 2016 as provided for in the meeting minutes (created/modified on December 6, 2018, and October 29, 2018). The actual monthly payment amount as noted in the table during most of 2013 was $350, 2014 was $450, and 2016 was $500.

In addition, the December 8, 2016, meeting minutes indicated the Board approved a monthly fee of $600 be paid to the Secretary/Treasurer's business; however, properties show this electronic minutes file was created on December 5, 2018, and modified on December 6, 2018. As a result the authenticity of these meeting minutes is questionable. Actual payments made to Langner Enterprises in 2017 were inconsistent in amounts (see Appendix A) and we could not determine the legitimate monthly payment amount.

Documentation indicates Board meetings were held on several other dates. However, neither the district nor the Secretary/Treasurer retained or provided other meeting minutes. In addition, Board members indicated the Secretary/Treasurer did not prepare or submit meeting minutes for their review and approval at each monthly meeting, the Board could not provide meeting minutes, and none of the meeting minutes provided by the Secretary/Treasurer were signed by the Board. As a result, the authenticity of the meeting minutes provided by the Secretary/Treasurer could not be confirmed.

Improper personal credit card payments

The Secretary/Treasurer made 54 improper electronic payments totaling $125,642 using the district's checking account to pay her personal Chase Bank credit card bills between September 2016 and September 2018 (see Appendix B). The only payments made on this personal credit card account during this time period were made using district bank accounts. In sworn testimony, the Secretary/Treasurer indicated the Chase Bank credit card

account was her personal account, monies from district bank accounts were used to make payments on this account, and she was the only person with the password to make electronic payments from district bank accounts. Board members indicated the district did not maintain a credit card and they were unaware the credit card payments were being made. There was also no evidence that the Board approved these personal credit card payments, and the disbursements to the credit card vendor were not reported on the district's published financial statements.

Our review of the personal credit card statements determined the Secretary/Treasurer spent $30,004 on business products that may have been used to operate her 2 personal businesses (a coffee shop and an accounting service). Of this amount, $22,031 was spent at restaurant supply stores such as Farmer Brothers Coffee, Restaurant Depot, and Belfonte Ice Cream, and the remaining $7,973 was spent at business and office supply companies such as Canopy Tax, Capital Premium Financing, and American Paper Optics (see Appendix C).

In addition, the personal credit card statements showed the Secretary/Treasurer spent approximately $17,291 at construction and home improvement stores such as Menards, Home Depot, Northland Ready Mix, Orscheln, and Harbor Freight Tools. The personal credit card statements also showed the Secretary/Treasurer spent $14,023 on travel and entertainment, including vendors such as Carnival Cruise Line, Enterprise Rent-A-Car, multiple hotels, and attractions such as Starlight Theatre, Kansas City Royals, Silver Dollar City, and Space Center Houston. The Secretary/Treasurer also spent $29,387 at online shopping sites including $10,007 at Amazon, and $19,380 at other sites. The Secretary/Treasurer also spent $14,845 at Sam's Club and Walmart using this card.

Credit card rewards

In addition to the $125,642 of improper district payments made on the Secretary/Treasurer's personal credit card, the Secretary/Treasurer earned $1,634 in rewards from credit card purchases paid for using district monies, spent $1,479 of the rewards earned, and returned $59 of reward point items purchased. The remaining $214 of district reward points was included in the credit card reward balance as of September 16, 2018. We calculated the amount of rewards received based on transactions paid for with district monies.

Improper personal and company utility payments

The Secretary/Treasurer made 5 improper electronic payments totaling $1,644 using district monies to pay her personal and company utility payments (see Appendix D). Three of the 5 payments totaling $1,213 were made on the utility account for Langner Enterprises between November 2016 and January 2017, and the remaining 2 payments totaling $431 were made on the personal utility account of the Secretary/Treasurer in October and

December 2016. The Board members indicated they were unware these payments occurred. In sworn testimony, the Secretary/Treasurer indicated she was the only person with the password to make electronic payments from district bank accounts.

Improper hotel payments

The Secretary/Treasurer made 6 improper payments using the district's debit card totaling $956 for hotel costs in February 2016 (3 payments), 2017 (1 payment), and 2018 (2 payments) related to events held for Great Northwest Day[4] (see Appendix D). The Secretary/Treasurer also recorded the purpose of these payments in the accounting system as office supplies to conceal the improper payments. While Board members indicated they were aware that the Secretary/Treasurer was involved with these events, they said they did not approve the payment of the hotel costs from district funds.

Falsified published financial statements

The Secretary/Treasurer falsified the district's published financial statements for at least the 4 years ended December 31, 2017. This occurred to conceal improper disbursements. The financial statements prepared by the Secretary/Treasurer were misleading and significantly inaccurate because numerous disbursements had been altered or omitted. For example, payments made to Langner Enterprises totaling $131,154 and payments made to Chase Bank totaling $76,879 were not reported in the published financial statements.

The following table shows significant differences in amounts reported as paid.

	Year Ended December 31,							
	2017		2016		2015		2014	
Vendor or Purpose Listed in the Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records
Langner Enterprises LLC	$ 6,300	65,072	6,300	57,811	5,700	17,821	4,950	13,700
Payroll	81,300	67,270	55,689	51,764	66,766	56,254	41,676	43,126
Chase Card	0	64,665*	0	12,214	0	0	0	0
Clinton County Great NW Day	0	1,624	0	1,363	0	0	0	0

* One payment was inaccurately recorded in the accounting records for $193 more than the actual check; therefore this amount was adjusted for the actual amount of the check.

[4] Great Northwest Day is an annual event at the Missouri State Capitol, and is a cooperative effort by Northwest Missouri communities to unify and enhance their region's image in Jefferson City and to pursue issues and legislation beneficial to the "Great Northwest." http://www.greatnorthwestday.com, accessed May 1, 2019.

The following table shows significant differences in receipts, disbursements, and ending cash balances reported on published financial statements in comparison to the accounting records.

	Year Ended December 31,							
	2017		2016		2015		2014	
	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records	Published Financial Statements	Accounting Records
Receipts	$ 342,103	259,848	423,720	528,427	373,568	368,568	388,277	396,317
Disbursements	329,397	475,438	334,364	409,880	350,592	306,104	389,523	412,640
Ending Balance	85,636	17,418	422,579	232,835	274,432	115,126	118,525	92,792

In sworn testimony, the Secretary/Treasurer indicated she prepared the financial statements submitted to the county to be published with the county's financial statements.

Section 233.150, RSMo, requires the Board to submit financial information to the county so it can be included with the published annual financial statements. To ensure compliance with this statute, the Board should review the statements for accuracy prior to publication.

Federal monies

The district received $71,638 in federal monies from the Federal Emergency Management Agency and the State Emergency Management Agency during May and June 2016. These monies were deposited into the district's money market bank account and subsequently transferred as needed into the district's checking account by the Secretary/Treasurer.

Overall conclusion

The Board did not provide sufficient oversight of the Secretary/Treasurer and district finances as noted in the remainder of this report, which resulted in the overpayments and personal credit card payments going undetected for many years. The unusual nature and excessive number of checks written and electronic payments should have caused suspicion and alerted the Board to the misappropriation. It is apparent the Board did not review the financial statements for accuracy or compare this information to any supporting documents such as invoices, checks written, or bank statements. The inaccurate published financial statements helped conceal the misappropriation of district monies.

Recommendation

The Board of Commissioners continue to work with law enforcement officials regarding criminal prosecution of the improper payments, falsified records, and improper disbursements, and take the necessary actions to obtain restitution. In addition, the Board of Commissioners should ensure financial statements are reviewed for accuracy prior to publication.

Auditee's Response

We will continue to work with law enforcement regarding criminal prosecution and seek restitution. We have hired a new accounting firm that prepares the published financial statements, and the financial statements are reviewed by the Board prior to publication.

2. Oversight and Bond Coverage

The Board did not establish adequate oversight of the Secretary/Treasurer or obtain bond coverage for applicable officials and employees as required by state law.

2.1 Oversight and segregation of duties

The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the Secretary/Treasurer. Weaknesses identified throughout this report are significant and demonstrate a lack of segregation of duties and proper oversight by the Board. There is little assurance district monies were handled and accounted for properly.

In addition, 109 of the checks issued to Langner Enterprises were for more than $600, which was the maximum amount of monthly compensation authorized at any point during her time of service with the district. According to Board members, blank checks were frequently signed in advance with no subsequent review of the checks. Signing checks in advance is a significant control weakness that diminishes the control intended by multiple signatures. This problem, along with the lack of review of bank statements or canceled checks by anyone other than the Secretary/Treasurer, allowed the improper payments to occur and go undetected for many years.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.

2.2 Bonding

The district did not have bond coverage for district employees or officials. The Secretary/Treasurer and Board members, who signed checks and had access to monies held in bank accounts, and district employees, who had access to district fuel and other supplies, were not covered by a bond. While the district had some fidelity and crime insurance coverage it was limited to $5,000 with a $500 deductible for each specific type of crime listed.

Section 233.055, RSMo, states the board may appoint a treasurer and fix the amount of bond and duties, and for the bond to be filed in the office of the County Clerk. Failure to properly bond individuals with access to funds and other assets exposes the city to risk of loss. Had the district obtained bond coverage as required by state law, the district may have been able to recover more than may be recovered through the insurance policy.

Recommendations

The Board of Commissioners:

2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should not allow any check signers to sign checks in advance.

2.2 Maintain bond coverage for all employees or officials with access to district monies or other assets.

Auditee's Response

2.1 We have segregated duties by hiring a part-time secretary to receive all mail and an accounting firm to handle the monthly payroll transactions and prepare the annual financial statements. The part-time secretary copies all documents received in the mail, including checks and forwards the originals to a Board member that is serving as the Board Treasurer. Deposits are prepared and made by the Board Treasurer. All non-payroll disbursements are made by the Board Treasurer, who pays most bills online, prints the payment confirmation, attaches it to the invoice, and enters the payment onto an electronic ledger. The Board Treasurer also reconciles the bank statements on a monthly basis. The electronic ledger detailing all disbursements is reviewed by the Board on a monthly basis along with the bank statements and reconciliations. All invoices, bank statements, and other district records are on file in the district office. Very few checks are issued, checks are no longer signed in advance, and checks now require the signature of 2 Board members.

2.2 We have increased the bond coverage to $50,000 for all employees and Board members.

3. Accounting Controls and Procedures

Significant weaknesses exist in the district's accounting controls and procedures. The Board's review and approval of disbursements and bank activity was insufficient, and provided no assurance that district funds were spent properly on items necessary and beneficial to the district. In addition, the Secretary/Treasurer used poor procedures for recording and depositing monies, and the district did not maintain various financial and personnel records.

3.1 Board review and approval process

The Secretary/Treasurer did not provide bank statements, a list of bills, or financial statements to the Board for review at monthly meetings. Board members indicated they had not reviewed district bank statements for several years. As a result, the Board was unaware of the improper payments made to Langner Enterprises, the Secretary/Treasurer's personal credit card company, and other vendors, or of the district's declining cash balances. In sworn testimony, the Secretary/Treasurer indicated district bills were mailed to a post office box and she was responsible for retrieving them, and preparing checks to pay them.

The Board and Secretary/Treasurer also failed to monitor the district's cash balances, and as a result, the district's checking account incurred $80 in overdraft fees between April and September 2018. Had the Board reviewed the bank statements, the improper payments and the declining cash balances could have been questioned.

In addition, Board members did not review invoices, and no one generally marked invoices paid or otherwise canceled once payment occurred or acknowledged receipt of goods or services on them. Board members also indicated the Secretary/Treasurer did not prepare meeting minutes for their review and approval. As a result, there is no documentation of the Board's review and approval of most district disbursements.

To safeguard against possible loss or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented by signing or initialing the monthly list of bills and should be documented in meeting minutes. Canceling invoices and other supporting documentation reduces the likelihood of duplicate payments, and requiring acknowledgement of the receipt of goods or services prior to payment helps ensure the district actually received all items. To prevent bank account overdraft fees, the Board and Secretary/Treasurer should monitor bank account balances.

3.2 District checks and accounting records

The Board did not have adequate controls over checks, and accounting records maintained by the Secretary/Treasurer were not accurate.

- The Secretary/Treasurer did not issue checks in numerical sequence, properly account for the numerical sequence of checks, or retain voided checks. Our review of 264 checks issued during 2016 identified 37 checks (14 percent) issued out of sequence. Based on our review of gaps in the numerical sequence, we identified 14 check numbers unaccounted for during this period. Their disposition (unused, issued but outstanding, voided, etc.) could not be determined and they were not listed in the district's accounting records.

- Some checks were not accurately recorded in the accounting system. In at least 7 instances, the same check number was recorded twice. For example, check number 2877 was recorded on January 10, 2015, for $98, and again on February 26, 2015, for $424. Check number 2877 was actually issued for $98 on January 10, 2015, and the entry on February 26, 2015, was an electronic funds transfer (EFT). In another example, check number 3005 was issued and recorded on August 21, 2015, for $1,350; however, accounting records also showed this check number recorded in error on July 26, 2015, for a $424 EFT. We identified

other instances where checks were not accurately recorded in the accounting system.

In addition, a comparison of check numbers and amounts on bank statements to the computerized accounting system showed that actual check numbers sometimes differed from those recorded in the computerized accounting system. For example, check number 3791 was written to a local lumber company on January 23, 2018, for $170. This disbursement was recorded as check number 3811 in the accounting system and check number 3791 was not recorded. Check number 3811 was recorded twice (once for $170 and once for $50). Check number 3811 was actually issued for $50. We identified other check detail discrepancies.

- The Secretary/Treasurer did not record $9,399 of transactions that cleared the bank in the accounting records during the 4 years ended December 31, 2017, including 26 bank service charge fees totaling $58, 6 payroll tax payments totaling $8,213, and 4 other miscellaneous payments totaling $723. Two other checks totaling $405 were voided in the accounting records, but cleared the bank during this period.

- The Secretary/Treasurer recorded $10,533 of transactions in the accounting records that did not clear the bank during the 4 years ended December 31, 2017, including 12 payroll tax payments totaling $6,834 (payment amounts differed from those previously mentioned that cleared the bank), 4 insurance payments totaling $465, and 15 other miscellaneous payments totaling $2,835. Two other checks totaling $399 were recorded twice in the accounting records during this period.

To properly account for all disbursements and reduce the risk of unauthorized transactions, checks should be issued in numerical sequence, the numerical sequence of checks issued should be accounted for, and voided checks should be properly defaced and retained. Accurate and complete financial information is necessary for the Board to make informed decisions and to provide residents with reliable information about district finances.

3.3 Recording and depositing

The Secretary/Treasurer did not always record or deposit receipts timely. For example, the Clinton County Treasurer issued a $156 check on January 20, 2017, a $15,619 check on January 31, 2017, a $347 check on February 22, 2017, a $16,770 check on February 10, 2017, and a $6,152 check on February 16, 2017, to the district; however, the Secretary/Treasurer held these checks and did not record them in the accounting system until March 23, 2017, or deposit them until March 24, 2017.

Failure to implement adequate recording and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected.

3.4 Written contract

The district did not enter into a written contract with Langner Enterprises for bookkeeping services detailing services to be rendered, duties and responsibilities for preparing and retaining records, or the amount of compensation. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Had the district entered into a written contract for bookkeeping services, there would have been no confusion regarding the amount of compensation. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

3.5 Record retention

Board members indicated they requested the Secretary/Treasurer return all accounting records just prior to her termination, and again after her termination. The majority of invoices, and all bank records, accounting records, and meeting minutes were maintained by the Secretary/Treasurer at her company or her home. She provided the district some electronic records in mid-December and provided our office additional district records at the time of her deposition on December 27, 2018. However, some bank statements, invoices, and other financial records could not be located and were obtained from the bank and district vendors.

Retention of records is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. Record retention schedules can be found on the Secretary of State's website.[5]

Recommendations

The Board of Commissioners:

3.1 Review bank statements and reconciliations monthly, properly monitor bank account balances to avoid bank fees, and ensure any differences are promptly investigated and resolved. The Board should also ensure a monthly list of bills is prepared and compared to invoices and checks written. In addition, the Board should ensure invoices are adequately reviewed and marked paid and require documentation of receipt of goods and/or services prior to payment of invoices.

3.2 Perform adequate reviews of accounting records and checks written before approving disbursements.

[5] https://www.sos.mo.gov/archives/localrecs/schedules

3.3 Ensure receipts are recorded and deposited timely and intact.

3.4 Enter into clearly written agreements for services.

3.5 Retain all records in accordance with state law.

Auditee's Response

3.1 Bank statements and reconciliations are prepared by the Board Treasurer and reviewed by the Board on a monthly basis. The Board Treasurer reviews all invoices prior to payment, attaches the electronic payment receipt or check stub to the invoice, and presents the Board with a printout of all disbursements each month for review and approvals.

3.2 We are now issuing checks in sequence and ensuring check numbers are not duplicated. Disbursements can now only be issued by a Board member.

3.3 We are now depositing intact within one to two days of receipt.

3.4 We have a written contract (engagement letter) with the new accounting firm.

3.5 We are now maintaining all records on site.

4. Payroll

The Board approved year-end bonuses to the Secretary/Treasurer and employees contrary to state law and the Secretary/Treasurer did not timely file and remit payroll taxes.

4.1 Bonuses

The Board approved year-end bonus payments to the Secretary/Treasurer in December 2011, 2012, 2013, 2015, and 2016 totaling $1,700. District employees also received bonuses. These year-end bonus payments represent additional compensation for services previously rendered and, as such are in violation of Article III, Section 39(3), the Missouri Constitution, and contrary to Attorney General's Opinion No. 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered." In addition, Article VI, Sections 23 and 25, prohibits local government from granting public money to any private individual, except as otherwise provided by law.

4.2 Payroll taxes

The Secretary/Treasurer did not timely remit federal payroll taxes resulting in interest and penalties for the district. As of November 12, 2018, the Secretary/Treasurer had not remitted the applicable payroll taxes, totaling $2,369, to the Internal Revenue Service for July 2017 and January 2018, resulting in an assessment of penalties and interest totaling $154.

The Internal Revenue Code requires employers to file a 941 form by the last day of the month following the end of the quarter, along with payment of Social Security and Medicare taxes withheld from employees and the employer's share, as well as federal income taxes withheld.

Recommendations

The Board of Commissioners:

4.1 Discontinue the practice of paying bonuses.

4.2 Establish procedures to ensure payroll taxes are remitted timely.

Auditee's Response

4.1 We will discontinue paying bonuses.

4.2 We have ensured all payroll taxes are current and the new accounting firm is responsible for making all payroll tax payments on time. Payroll tax payments are reviewed by the Board along with all other disbursements.

5. Budgets and Financial Reporting

The district did not comply with state law relating to budget preparation and submitting financial statements.

5.1 Budgets

Neither the Board nor the Secretary/Treasurer prepared budgets for the 8 years ended December 31, 2018. Section 67.010, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year, and outlines the various information the budget must include. An accurate, complete, and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of district operations.

5.2 Financial reporting

Neither the Board nor the Secretary/Treasurer submitted a financial report to the SAO as required by state law for the years ended December 31, 2012, 2013, 2014, 2015, or 2016, and the report submitted for the year ended December 31, 2017, was not filed until November 7, 2018.

Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the SAO. Section 105.145.5, RSMo, prohibits elected officials from processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the SAO. In addition, 15 Code of State Regulations (CSR) 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the SAO must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement.

Failure to timely file a financial statement may subject the political subdivision to a fine of $500 per day.

Recommendations

The Board of Commissioners:

5.1 Prepare budgets that contain all information required by state law.

5.2 Submit annual financial reports to the State Auditor's Office as required by state law.

Auditee's Response

5.1 We plan to prepare a budget next year.

5.2 We will ensure annual financial statements are filed with the State Auditor's Office before the deadline.

Plattsburg Special Road District
Organization and Statistical Information

The Plattsburg Special Road District is located in Clinton County, Missouri. The district was incorporated prior to 1915 and organized under Sections 233.010 to 233.165, RSMo. The district employed a full-time employee and 2 part-time employees on October 15, 2018.

The Board of Commissioners consists of three commissioners who serve 3-year terms. The commissioners elect a President of the board, and in accordance with Section 233.060, RSMo, commissioners are not compensated.

Board of Commissioners

Name	Dates of Service
George Hoover, President	April 2009 to current
Kurtis Kennedy	April 2007 to current
Corey Wilkinson	April 2016 to current (1)

(1) Raleigh Phillips served from April 1986 to March 2016.

Financial Activity

A summary of the district's financial activity obtained from district bank statements for the year ended December 31, 2017, follows:

Receipts	$	321,641
Disbursements		486,836
Receipts over (under) disbursements		(165,195)
Cash balance, January 1, 2017		182,304
Cash balance, December 31, 2017	$	17,109

Plattsburg Special Road District
Supporting Documentation of Misappropriated Monies

The following appendixes provide supporting documentation for the misappropriated monies and subpoenas issued as discussed in MAR finding number 1 and are summarized in the following table:

Appendix	Type of Supporting Documentation
A	Improper Payments to Langner Enterprises, LLC
B	Improper Personal Credit Card Payments
C	Personal Credit Card Charges
D	Other Improper Payments
E	State Auditor Subpoena - Ava Lea Langner
F	State Auditor Subpoena - Langner Enterprises, LLC
G	State Auditor Subpoena - Chase Bank
H	State Auditor Subpoena - Ameren

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Plattsburg Special Road District
Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)		Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
04/15/2011	2125	(2) $	350.00	Accounting fees	10/19/2011
05/06/2011	2000		350.00	Accounting fees	05/16/2011
05/26/2011	2013		350.00	96 Ford pickup	05/27/2011
06/27/2011	2038		350.00	Accounting fees	06/28/2011
07/20/2011	2058		350.00	Accounting fees	07/21/2011
07/26/2011	2060		150.00	General road and bridge operation	07/28/2011
08/18/2011	2078		350.00	Accounting fees	08/19/2011
09/13/2011	2098		350.00	Accounting fees	09/14/2011
10/13/2011	2120		350.00	Accounting fees	10/17/2011
10/20/2011	2126		350.00	Shop supplies	10/24/2011
11/08/2011	2129		350.00	Accounting fees	11/09/2011
11/21/2011	2139		350.00	90 GMC dump truck	11/22/2011
12/12/2011	2157		350.00	Accounting fees	12/14/2011
12/13/2011	2161		300.00	Accounting fees	12/14/2011
12/28/2011	2164		350.00	Facility repairs	12/29/2011
Total 2011		$	5,000.00		
01/12/2012	2188		350.00	Accounting fees	01/17/2012
01/27/2012	2193		350.00	Road grader	01/30/2012
01/31/2012	2177	(2)	350.00	96 International	02/01/2012
02/09/2012	2203		350.00	Accounting fees	02/13/2012
03/08/2012	2226		350.00	Accounting fees	03/12/2012
04/04/2012	2236		350.00	Accounting fees	04/05/2012
04/12/2012	2241		350.00	Shop supplies	04/18/2012
05/08/2012	2257		350.00	Accounting fees	05/14/2012
05/23/2012	2265		350.00	Outside contract services	05/24/2012
06/14/2012	2268		350.00	Outside contract services	06/13/2012
06/22/2012	2274		350.00	Accounting fees	06/25/2012
07/15/2012	2294		350.00	Accounting fees	07/13/2012
08/09/2012	2301		350.00	Accounting fees	08/13/2012
09/13/2012	2322		350.00	Accounting fees	09/17/2012
09/18/2012	2335		350.00	Accounting fees	09/19/2012
09/21/2012	2337		350.00	Accounting fees	09/24/2012
09/30/2012	2340		350.00	Accounting fees	09/28/2012
09/30/2012	2348		350.00	Accounting fees	10/15/2012
11/08/2012	2367		350.00	Accounting fees	11/13/2012
12/04/2012	2405	(2)	350.00	Accounting fees	12/05/2012
12/11/2012	2404	(2)	350.00	Accounting fees	12/12/2012
12/13/2012	2385		350.00	Accounting fees	12/17/2012
12/14/2012	2392		400.00	Accounting fees	12/17/2012
Total 2012		$	8,100.00		

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Plattsburg Special Road District
Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)		Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/02/2013	2398		350.00	Accounting fees	01/03/2013
01/09/2013	2412	(2)	350.00	Accounting fees	01/14/2013
01/16/2013	2400		350.00	Outside contract services	01/17/2013
01/23/2013	2402		350.00	Accounting fees	01/24/2013
02/14/2013	2432		350.00	(3)	02/19/2013
03/11/2013	2441		750.00	96 International	03/13/2013
03/15/2013	2451		350.00	Accounting fees	03/18/2013
04/05/2013	2474		350.00	Accounting fees	04/15/2013
04/30/2013	2488		121.10	Telephone, Telecommunications	05/07/2013
05/09/2013	2505		350.00	Accounting fees	05/14/2013
06/12/2013	2518		350.00	Accounting fees	06/17/2013
07/10/2013	2528		350.00	Accounting fees	07/11/2013
08/07/2013	2550		350.00	Accounting fees	08/08/2013
08/22/2013	2556		500.00	Facility repairs	08/23/2013
08/30/2013	2569		350.00	Bridge account	09/03/2013
09/13/2013	2570		700.00	Accounting fees	09/16/2013
10/01/2013	2587		700.00	Accounting fees	10/03/2013
10/09/2013	2589		1,400.00	General account	10/10/2013
11/05/2013	2604		350.00	Accounting fees	11/07/2013
11/30/2013	2633	(2)	300.00	2009 Ford pickup	12/16/2013
12/12/2013	2629		350.00	Accounting fees	12/13/2013
12/19/2013	2639		900.00	Accounting fees	12/20/2013
12/29/2013	2640		1,350.00	Accounting fees	12/31/2013
Total 2013		$	11,621.10		
01/09/2014	2655		450.00	Accounting fees	01/13/2014
01/21/2014	2659		900.00	General account	01/22/2014
02/03/2014	2662		1,800.00	Outside contract services	02/04/2014
02/13/2014	2678		450.00	Accounting fees	02/25/2014
03/13/2014	2687		450.00	Accounting fees	03/18/2014
04/29/2014	2710		1,800.00	General account	05/01/2014
05/08/2014	2733		450.00	Accounting fees	05/12/2014
05/30/2014	2664	(2)	650.00	Office supplies	06/02/2014
06/12/2014	2753		450.00	Accounting fees	06/16/2014
07/10/2014	2772	(2)	450.00	Accounting fees	07/15/2014
07/16/2014	2763		900.00	General account	07/17/2014
08/12/2014	2790		450.00	Accounting fees	08/14/2014
09/04/2014	2800		450.00	Accounting fees	09/05/2014
09/12/2014	2809		1,800.00	General account	09/15/2014
10/09/2014	2825		450.00	Accounting fees	10/14/2014
10/28/2014	2833		900.00	General account	10/29/2014
11/13/2014	2843		450.00	Accounting fees	11/18/2014
12/11/2014	2858		450.00	Accounting fees	12/15/2014
Total 2014		$	13,700.00		

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Plattsburg Special Road District
Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)		Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/05/2015	2866		450.00	Accounting fees	01/06/2015
01/08/2015	2872		450.00	Shop supplies	01/13/2015
01/12/2015	2865	(2)	900.00	General account	01/13/2015
02/13/2015	2884		450.00	Accounting fees	02/17/2015
03/12/2015	2907		450.00	Accounting fees	03/17/2015
03/13/2015	2920		270.57	Office supplies	03/19/2015
04/09/2015	2930		450.00	Accounting fees	04/15/2015
05/14/2015	2956		450.00	Accounting fees	05/18/2015
06/04/2015	2973		450.00	General account	06/05/2015
07/01/2015	2968	(2)	450.00	Telephone, Telecommunications	07/01/2015
07/06/2015	2985		450.00	Accounting fees	07/06/2015
07/09/2015	2993		450.00	General account	07/13/2015
07/24/2015	3011		450.00	General account	07/27/2015
08/05/2015	3016		900.00	General account	08/07/2015
08/13/2015	3021		450.00	Accounting fees	08/20/2015
08/21/2015	3005	(2)	1,350.00	Outside contract services	08/21/2015
09/10/2015	3107	(2)	450.00	Accounting fees	09/14/2015
10/07/2015	1004		450.00	BMY dump truck 1990	10/08/2015
10/08/2015	3207		450.00	Accounting fees	10/13/2015
10/13/2015	3211		900.00	Culvert replacement/repair	10/15/2015
11/12/2015	3228		450.00	Accounting fees	11/16/2015
11/13/2015	3238		600.00	Telephone, Telecommunications	11/16/2015
11/19/2015	3224	(2)	750.00	Supplies	11/20/2015
12/10/2015	3254		450.00	Accounting fees	12/14/2015
12/11/2015	3245	(2)	1,500.00	Accounting fees	12/14/2015
12/15/2015	3264		1,000.00	Accounting fees	12/16/2015
12/17/2015	3267		2,000.00	Accounting fees	12/18/2015
Total 2015		$	17,820.57		
01/06/2016	3272		750.00	General account	01/07/2016
01/14/2016	3277		586.00	Accounting Fees-$500, office supplies-$86	01/19/2016
01/18/2016	3293		1,500.00	General account	01/20/2016
01/20/2016	3290	(2)	1,500.00	Diesel	01/26/2016
02/11/2016	3299		500.00	Accounting fees	02/12/2016
02/18/2016	3308		1,500.00	General account	02/22/2016
03/10/2016	3318		500.00	Accounting fees	03/16/2016
04/14/2016	3335		500.00	Accounting fees	04/19/2016
05/03/2016	3349		500.00	Accounting fees	05/06/2016
05/20/2016	3356		500.00	General account	05/24/2016
06/03/2016	3359		2,500.00	General account	06/06/2016
06/09/2016	3368		500.00	Accounting fees	06/14/2016
06/21/2016	3392		1,575.00	General account	06/22/2016
06/30/2016	3395		600.00	Accounting fees	07/06/2016
07/09/2016	3396		1,000.00	Accounting fees	07/12/2016
07/18/2016	3400		1,500.00	Accounting fees	07/19/2016
07/21/2016	3405		500.00	Accounting fees	08/02/2016
07/27/2016	3414		1,500.00	Accounting fees	07/28/2016
08/11/2016	3424		500.00	Accounting fees	08/15/2016

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Plattsburg Special Road District
Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)		Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
08/15/2016	3413	(2)	1,500.00	Accounting fees	08/16/2016
08/23/2016	3437		1,500.00	Accounting fees	08/24/2016
08/25/2016	3442		1,500.00	Bridge account	08/26/2016
08/30/2016	3441	(2)	1,800.00	Accounting fees	09/01/2016
09/07/2016	3450		500.00	Accounting fees	09/12/2016
09/07/2016	3470		1,500.00	Accounting fees	09/08/2016
09/12/2016	3468	(2)	1,000.00	Accounting fees	09/13/2016
09/20/2016	3467	(2)	1,200.00	Accounting fees	09/21/2016
09/23/2016	3460	(2)	1,500.00	Accounting fees	09/26/2016
09/30/2016	3464	(2)	1,000.00	Accounting fees	10/03/2016
10/07/2016	3465	(2)	1,350.00	Accounting fees	10/12/2016
10/13/2016	3466	(2)	1,300.00	Accounting fees	10/17/2016
10/17/2016	3485		1,500.00	Accounting fees	10/19/2016
10/17/2016	3492	(2)	800.00	Accounting fees	10/19/2016
10/21/2016	3486		800.00	Accounting fees	10/25/2016
10/28/2016	3489		1,800.00	Bridge account	10/31/2016
11/02/2016	3487	(2)	1,200.00	Accounting fees	11/03/2016
11/10/2016	3488	(2)	1,800.00	Accounting fees	11/15/2016
11/15/2016	3501		500.00	Accounting fees	11/17/2016
11/16/2016	3510		3,800.00	Bridge account	11/17/2016
11/22/2016	3514		1,850.00	Accounting fees	11/23/2016
11/30/2016	3515		1,800.00	Accounting fees	12/02/2016
12/01/2016	3520		500.00	Accounting fees	12/05/2016
12/02/2016	3540	(2)	1,500.00	Accounting fees	12/05/2016
12/06/2016	3519	(2)	1,500.00	Accounting fees	12/07/2016
12/13/2016	3525		1,500.00	Accounting fees	12/15/2016
12/20/2016	3526		1,800.00	Accounting fees	01/04/2017
12/31/2016	3536		1,000.00	Accounting fees	01/04/2017
Total 2016		$	57,811.00		

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Plattsburg Special Road District
Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)		Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/01/2017	3564	(2)	500.00	Accounting fees	02/02/2017
01/06/2017	3527	(2)	1,500.00	Accounting fees	01/09/2017
01/10/2017	3528	(2)	1,800.00	Accounting fees	01/12/2017
01/18/2017	3556	(2)	1,800.00	Accounting fees	01/19/2017
01/25/2017	3559	(2)	1,200.00	Accounting fees	01/26/2017
02/05/2017	3577		1,800.00	Accounting fees	02/07/2017
02/08/2017	3580		1,800.00	Accounting fees	02/09/2017
02/14/2017	3581		1,800.00	Accounting fees	02/15/2017
02/15/2017	3590		1,500.00	Accounting fees	02/16/2017
02/24/2017	3578	(2)	1,500.00	Accounting fees	02/22/2017
03/03/2017	3596		1,500.00	Accounting fees	03/02/2017
03/09/2017	3597		1,500.00	Accounting fees	03/10/2017
03/13/2017	3608		1,500.00	Accounting fees	03/14/2017
03/13/2017	3622	(2)	1,500.00	Accounting fees	04/26/2017
03/21/2017	3612		1,500.00	Accounting fees	03/22/2017
03/27/2017	3613		1,500.00	Accounting fees	03/30/2017
04/04/2017	3598	(2)	1,500.00	Accounting fees	04/05/2017
04/11/2017	3617		1,872.00	Accounting fees	04/12/2017
04/18/2017	3621		1,500.00	Accounting fees	04/19/2017
05/04/2017	3637		1,500.00	Accounting fees	05/05/2017
05/18/2017	3641		1,500.00	Accounting fees	05/17/2017
05/23/2017	3654		1,000.00	Accounting fees	05/24/2017
06/01/2017	3659		1,000.00	Accounting fees	06/02/2017
06/15/2017	3660		1,800.00	Accounting fees	06/16/2017
06/22/2017	3664		1,800.00	Accounting fees	06/23/2017
06/26/2017	3665		1,500.00	Accounting fees	06/29/2017
07/03/2017	3669		1,500.00	Accounting fees	07/05/2017
07/10/2017	3670		1,500.00	Accounting fees	07/11/2017
07/17/2017	3674		1,500.00	Accounting fees	07/18/2017
07/24/2017	3675		1,500.00	Accounting fees	07/25/2017
08/03/2017	3694		1,500.00	Accounting fees	08/02/2017
08/18/2017	3698		1,500.00	Accounting fees	09/01/2017
09/08/2017	3700		1,500.00	Accounting fees	09/11/2017
09/22/2017	3707		1,500.00	Accounting fees	09/25/2017
10/03/2017	3724		800.00	Accounting fees	10/04/2017
10/10/2017	3723	(2)	1,500.00	Accounting fees	10/11/2017
10/18/2017	3725		1,500.00	Accounting fees	10/17/2017
11/07/2017	3736		1,000.00	Accounting fees	11/13/2017
11/16/2017	3747		2,800.00	Accounting fees	11/17/2017
11/29/2017	3752		1,500.00	Accounting fees	11/30/2017
12/01/2017	3765		1,500.00	Accounting fees	12/07/2017
12/14/2017	3773		1,800.00	Accounting fees	12/15/2017
12/19/2017	3776		1,500.00	Accounting fees	12/20/2017
Total 2017		$	65,072.00		

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Plattsburg Special Road District
Supporting Documentation - Improper Payments to Langner Enterprises, LLC

Check Date	Check Number (1)		Amount	Purpose per Accounting System	Date Check Cleared the District Bank Account
01/18/2018	3783		1,800.00	Accounting fees	01/17/2018
01/19/2018	3800		1,500.00	Accounting fees	01/22/2018
01/23/2018	3793	(2)	1,000.00	Accounting fees	01/26/2018
02/01/2018	3797	(2)	1,000.00	Accounting fees	02/05/2018
02/18/2018	3817		2,000.00	Accounting fees	02/16/2018
03/06/2018	3823		1,800.00	Accounting fees	03/08/2018
03/15/2018	3824		1,800.00	Accounting fees	03/16/2018
04/03/2018	3833		1,600.00	Accounting fees	04/03/2018
04/20/2018	3851		500.00	Accounting fees	04/23/2018
05/09/2018	3863		500.00	Accounting fees	05/11/2018
06/22/2018	3883		2,000.00	Accounting fees	06/25/2018
07/05/2018	3888		1,800.00	Accounting fees	07/10/2018
07/27/2018	3893		1,500.00	Accounting fees	07/30/2018
08/14/2018	3912		600.00	Accounting fees	08/15/2018
09/27/2018	3938		1,000.00	Accounting fees	10/01/2018
Total 2018			$ 20,400.00		
	Total Payments		$ 199,524.67		

Year	Total Legitimate Payments	
2011	$ 3,285.50	(4)
2012	4,600.00	(5)
2013	4,500.00	(6)
2014	5,400.00	(7)
2015	5,800.00	(8)
2016	6,300.00	(9)
2017	7,200.00	(10)
2018	5,700.00	(11)
Subtotal	$ 42,785.50	
Total Overpayments	$ 156,739.17	

(1) All checks were issued from the checking account except for check number 1004 that was issued from the money market account.
(2) Check was issued out of order.
(3) This check was not recorded properly in the accounting system; therefore, the purpose was not documented.
(4) Includes a $350 monthly payment for 8 months (May through December) and a bonus of $300. It also includes $185.50 for April 14 to April 30, the portion of the month the Secretary/Treasurer served.
(5) Includes a $350 monthly payment for 12 months and a bonus of $400.
(6) Includes a $350 monthly payment for 12 months and a bonus of $300.
(7) Includes a $450 monthly payment for 12 months and no bonus was paid.
(8) Includes a $450 monthly payment for 12 months and a bonus of $400.
(9) Includes a $500 monthly payment for 12 months and a bonus of $300.
(10) Includes a $600 monthly payment for 12 months and no bonus was paid.
(11) Includes a $600 monthly payment for 9 months (January through September) and no bonus was paid. It also includes $300 for October 1 to October 15, the portion of the month the Secretary/Treasurer served.

Appendix B

Plattsburg Special Road District
Supporting Documentation - Improper Personal Credit Card Payments

Electronic Payment Date		Amount	Purpose per Accounting System
09/15/16	$	727.55	Office supplies
10/04/16		700.00	Office supplies
10/28/16		900.00	Office supplies
11/07/16	(1)	1,280.87	Gas
11/14/16		1,934.71	Gas
11/21/16		1,152.98	Gas
11/28/16		1,152.98	Gas
12/05/16		1,152.98	Gas
12/07/16		962.44	Gas
12/22/16		2,249.96	Gas
Total 2016	$	12,214.47	
01/06/17		1,474.55	Gas
01/18/17		1,301.92	Gas
01/30/17		1,915.57	Gas
02/09/17		1,543.43	Gas
02/23/17		1,079.72	Gas
03/08/17		1,609.99	Gas
03/24/17		1,135.03	Gas
04/12/17		2,636.45	Gas
04/21/17		1,396.93	Gas
05/03/17		3,392.24	Gas
05/15/17		2,950.74	Gas
05/23/17		2,457.84	Gas
05/31/17		1,308.77	Gas
06/12/17		2,673.73	Gas
06/20/17		1,545.92	Gas
06/26/17		1,193.06	Gas
07/07/17		2,360.11	Gas
07/25/17		3,442.82	Gas
08/09/17		2,599.36	Gas
08/28/17		3,510.13	Gas
09/06/17		3,471.83	Gas
09/19/17		2,753.57	Gas
10/04/17		3,333.60	Gas
10/16/17		3,303.32	Gas
10/27/17		2,418.15	Gas
11/07/17	(2)	2,014.83	Gas
11/20/17		1,917.00	Gas
12/19/17		3,924.68	Gas
Total 2017	$	64,665.29	

Appendix B

Plattsburg Special Road District
Supporting Documentation - Improper Personal Credit Card Payments

Payment Date		Amount	Purpose per Accounting System
01/18/18		4,483.70	Gas
02/06/18		4,418.76	Diesel
02/22/18		2,000.00	Gas
02/27/18		4,089.26	Gas
03/26/18		2,892.81	Gas
04/18/18		4,649.91	Gas
05/03/18		2,005.91	Gas
05/21/18		2,044.14	Gas
05/30/18		1,337.12	Gas
06/05/18		1,997.74	Gas
06/18/18		2,154.21	Gas
07/10/18		3,882.08	Gas
08/02/18		5,320.52	Gas
08/15/18	(3)	1,742.23	Gas
08/24/18		3,744.04	Gas
09/14/18		2,000.00	Gas
Total 2018	$	48,762.43	
Grand Total	$	125,642.19	

(1) Recorded in the accounting system as being issued on November 14, 2016, instead of the actual payment date.

(2) Recorded in the accounting system as being issued on November 6, 2017, instead of the actual payment date.

(3) Recorded in the accounting system as being issued on August 24, 2018, instead of the actual payment date.

Appendix C

Plattsburg Special Road District
Supporting Documentation - Personal Credit Card Charges

Vendor or Purpose	Credit Card Transactions: August 16 to December 31, 2016	Year Ended December 31, 2017	January 1 to September 16, 2018	Total	Total Number of Transactions
Amazon	$ 1,553.49	5,648.92	2,804.99	10,007.40	221
Clothing and accessories	442.52	3,133.45	4,719.31	8,295.28	61
Other shopping	718.97	8,365.33	2,000.79	11,085.09	173
Subtotal shopping	2,714.98	17,147.70	9,525.09	29,387.77	455
Business services and supplies	107.43	3,653.48	3,119.13	6,880.04	69
Tax software	0.00	1,092.46	0.00	1,092.46	3
Subtotal business and office supplies	107.43	4,745.94	3,119.13	7,972.50	72
Menards	687.31	6,976.55	2,703.29	10,367.15	49
Home Depot	368.17	3,575.88	290.34	4,234.39	40
Construction and hardware	647.60	1,721.54	320.00	2,689.14	31
Subtotal construction and home improvement	1,703.08	12,273.97	3,313.63	17,290.68	120
Hotels	184.90	2,271.70	3,277.59	5,734.19	40
Other entertainment & travel	0.00	875.24	967.85	1,843.09	30
Television subscriptions	0.00	70.93	143.07	214.00	24
Carnival Cruise Lines	0.00	100.00	3,232.86	3,332.86	23
Enterprise Rent-A-Car	229.62	594.52	2,074.78	2,898.92	10
Subtotal travel and entertainment	414.52	3,912.39	9,696.15	14,023.06	127
Farmer Brothers Coffee	0.00	5,679.22	5,285.85	10,965.07	32
Belfonte Ice Cream	0.00	1,821.94	825.48	2,647.42	32
Restaurant Depot	1,571.29	2,753.46	1,814.24	6,138.99	28
Other restaurant suppliers	425.11	1,796.51	58.00	2,279.62	15
Subtotal restaurant supply stores	1,996.40	12,051.13	7,983.57	22,031.10	107
Sam's Club and Walmart	3,555.58	6,818.62	4,470.92	14,845.12	103
Gas and convenience stores	137.79	265.41	768.70	1,171.90	38
Miscellaneous	703.11	1,264.54	1,616.70	3,584.35	39
Utilities	322.21	1,919.65	3,254.31	5,496.17	24
Auction sites	0.00	2,177.74	29.70	2,207.44	24
Restaurants	0.00	456.09	550.80	1,006.89	24
Health stores and providers	0.00	347.67	647.34	995.01	18
Missouri Western State University	0.00	919.22	1,620.37	2,539.59	14
Grocery stores	0.00	148.37	115.65	264.02	10
Political groups	0.00	225.00	190.00	415.00	5
Credit card fees	106.37	0.00	25.00	131.37	5
Cash withdrawals	0.00	0.00	515.00	515.00	3
Prior balance	1,927.55	0.00	0.00	1,927.55	1
Total charges	$ 13,689.02	64,673.44	47,442.06	125,804.52	1,189
	(1)	(1)	(1)	(1)	

(1) These totals do not match the totals on Appendix B because Appendix B shows credit card billing payments while this Appendix shows credit card charges.

Appendix D

Plattsburg Special Road District
Supporting Documentation - Other Improper Payments

Payment Date (1)	Vendor	Purpose per Accounting System		Amount
10/27/2016	Ameren	(2) Electric	$	280.57
11/16/2017	Ameren	(3) Electric		300.00
12/02/2016	Ameren	(3) Electric		637.38
12/09/2016	Ameren	(2) Electric		150.25
01/11/2017	Ameren	(3) Electric		276.16
		Subtotal	$	1,644.36
02/05/2016	Capitol Plaza	(4) Office supplies		115.56
02/05/2016	Capitol Plaza	(4) Office supplies		123.90
02/05/2016	Capitol Plaza	(4) Office supplies		123.90
02/01/2017	Capitol Plaza	(5) Office supplies		123.90
02/08/2018	Capitol Plaza	(5) Office supplies		218.84
02/08/2018	Capitol Plaza	(5) Office supplies		250.10
Total		Subtotal	$	956.20
		Total	$	2,600.56

(1) Date payment was recorded in the accounting system.

(2) Payment was made to Langner Enterprises' utility account.

(3) Payment was made to Ava Langner's personal utility account.

(4) The Secretary/Treasurer recorded the vendor as Clinton County Great NW Day in the accounting system instead of Capitol Plaza as indicated on the bank statement and combined the 3 separate payments into one entry in the accounting system.

(5) The Secretary/Treasurer recorded the vendor as Clinton County Great NW Day in the accounting system instead of Capitol Plaza as indicated on the bank statement.

Appendix E

The address and bank account numbers have been redacted.

OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: Ava Lea Langner
[redacted]
[redacted]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 502, 615 East 13th Street, Kansas City, MO 64106, at 10:00 a.m. on December 21, 2018, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 3rd day of December, 2018, pursuant to Section 29.235.4(1), RSMo.

Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by Ava Langner on this 12/3/18 day of December, 2018.

Julie A. Marlow

OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Plattsburg Special Road District.

This request includes, but is not limited to, the following:

- Records related to Liberty Bank accounts (including, but not limited to, account numbers [redacted] and [redacted]
- Records related to Union State Bank accounts (including, but not limited to, account numbers [redacted]
- Any and all payroll records, timesheets, invoices, financial statements, board minutes, or any other Plattsburg Special Road District board records.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.235.4(1), RSMo.

Appendix F

The address and bank account numbers have been redacted.

OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: Langner Enterprises, LLC
Registered Agent: Ava Lea Langner
[redacted]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 502, 615 East 13th Street, Kansas City, MO 64106, at 10:00 a.m. on December 21, 2018, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

ISSUED this 3rd day of December, 2018, pursuant to Section 29.235.4(1), RSMo.

Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by Ava Langner on this 12/3/18 day of December, 2018.

Joel Anderson

OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the Plattsburg Special Road District.

This request includes, but is not limited to, the following:

- Records related to Liberty Bank accounts (including, but not limited to, account numbers [redacted] and [redacted]
- Records related to Union State Bank accounts (including, but not limited to, account numbers [redacted]
- Any and all payroll records, timesheets, invoices, financial statements, board minutes, or any other Plattsburg Special Road District board records.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.235.4(1), RSMo.

Appendix G

The date of birth, social security number, addresses, and account numbers have been redacted.

NICOLE GALLOWAY, CPA
Missouri State Auditor

February 7, 2019

Chase Bank
National Subpoena Processing
Mail Stop #IN1-4054
Indianapolis, IN 46231

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena for the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know. While we need to botain thee records as sson as possible, we hae some flexiblility.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@audtior.mo.gov.

Sincerely,

Joel E. Anderson
Chief Litigation Counsel

SUBPOENA

To: Chase Bank
National Subpoena Processing
Mail Stop #IN1-4054
Indianapolis, IN 46231

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 511, 615 East 13th Street, Kansas City, MO 64106, at 10:30 a.m. on February 21, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may mail the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at the Springfield Office Complex, 149 Park Central Square, Box 471, Suite 814, Springfield, MO 65806.

ISSUED this 6th day of February, 2019, pursuant to Section 29.235.4(1), RSMo.

Nicole Galloway
Missouri State Auditor

EXHIBIT A

Please produce all records of transactions between and including the dates of September 15, 2016 and September 14, 2018 for the following account with Chase Credit Card, individual or joint:

Ava Lea Langner, date of birth [redacted]; last four digits of social security number, [redacted] (Chase Credit Card account number unknown). Account holder may be listed at any of the following addresses:

[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	

Payments to this account were made by electronic fund transfers from the following account:

Plattsburg Special Road District
Account number: [redacted]
Routing number: [redacted]

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

Appendix H

The addresses and bank account numbers have been redacted.

NICOLE GALLOWAY, CPA
Missouri State Auditor

March 1, 2019

AMEREN
11760 US Highway
Palm Beach, FL 33408

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@audtior.mo.gov.

Sincerely,

Joel E. Anderson
Chief Litigation Counsel

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Appendix H

NICOLE GALLOWAY, CPA
Missouri State Auditor

March 1, 2019

AMEREN
11760 US Highway
Palm Beach, FL 33408

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@audtior.mo.gov.

Sincerely,

Joel E. Anderson
Chief Litigation Counsel

OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: AMEREN
11760 US Highway
Palm Beach, FL 33408

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 511, 615 East 13th Street, Kansas City, MO 64106, at 10:30 a.m. on March 15, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 1st day of March, 2019, pursuant to Section 29.235.4(1), RSMo.

Nicole Galloway
Missouri State Auditor

OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all records (billing statement including account numbers, name on the account, and address of the account) relating to the following utility payments made by electronic fund transfers from the Plattsburg Special Road District bank account number [redacted] with a routing number of [redacted]

10/27/2016	$	280.57
11/17/2016	$	300.00
12/2/2016	$	637.38
12/9/2016	$	150.24
1/11/2017	$	276.16

Service addresses for these payments are suspected to be related to one or more of the following addresses which may aid you in producing these records:

[redacted]

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

MISSOURI STATE AUDITOR'S OFFICE

Nicole Galloway, CPA

Fighting Public Corruption

Protecting Taxpayers

Getting Results

Holding Government Accountable

2018 ANNUAL REPORT

2019-053

Letter from Auditor Galloway

As your state auditor, I am dedicated to being a strong, independent watchdog for all Missourians. Taxpayers deserve to get the most from their government. And each day, I bring my experience as a certified public accountant and certified fraud examiner to work for you.

In 2018, we released 140 reports holding government at all levels accountable to you — the citizens they serve. These reports revealed evidence of theft and abuse of taxpayer dollars, highlighted inefficiencies in government and brought to light mismanagement affecting services to the public. Audits get results, and these efforts have resulted in changes to operations, more effective processes, and, at times, criminal charges brought against corrupt public officials.

My dedicated team works each day to hold government at all levels accountable, and I am proud of our integrity and professionalism. An audit of my office initiated by the General Assembly in 2018 found the office is managed efficiently and effectively. The auditors performed three separate reviews that found the office's overall operations are managed professionally and cybersecurity measures are effective.

Since 2015, our audits have identified more than $350 million in government waste, fraud, abuse and mismanagement and resulted in 38 criminal charges against public officials. In the coming year, I'm proud to expand on the great work we have accomplished. It is my job to tell Missourians who is corrupting our government and to hold the powerful accountable to the people of this state.

It is my honor to serve as your advocate, ensuring government at all levels is efficient, effective and transparent.

Nicole Galloway, CPA

Since 2015

audits released by Auditor Galloway have identified:

$350 million in government waste, fraud and abuse.

Reports have resulted in changes to government operations, improved processes and the return of stolen taxpayer dollars.

38 criminal counts alleging corruption against public officials.

The office has a proven track record of working with local, state and federal law enforcement to pursue justice for taxpayers.

The State Auditor's Office works to ensure the proper use of public funds and to improve the efficiency and effectiveness of Missouri government.

Audits examine financial accountability; look for waste, abuse and fraud; and evaluate whether government organizations and programs are achieving their purposes and operating economically and efficiently. All audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

Duties of the State Auditor

The State Auditor's Office is Missouri's independent watchdog for taxpayers. The Missouri Constitution and state law give the Missouri State Auditor authority to audit:

- All state agencies, boards and commissions
- Public employee retirement systems
- Public employee healthcare systems
- State court system
- School districts
- Counties that do not have a county auditor
- Other political subdivisions upon petition by the voters of those subdivisions

Above: Members of the Missouri National Guard provided a tour and briefing on the Joint Incident Site Communication Capability trailer and provided information about the role of technology during an emergency response.

Far left: At request of the Board of Aldermen, Auditor Galloway agreed to complete a comprehensive audit of the City of St. Louis. Auditor Galloway met with community leaders, local officials and residents to ensure audit work addresses the issues that affect citizens.

Second from left: The Missouri State Fair highlights the importance and history of agriculture in the state. Each year, Auditor Galloway attends to support this Missouri tradition.

Third from left: Concerned citizens petitioned for an audit of the Hazelwood School District. Auditor Galloway publicly delivered the report results, which found weaknesses in cash handling and questionable spending decisions.

Fighting Public Corruption

Theft by city clerk in Winona

A citizen-requested audit of the city of Winona, located in Shannon County, showed more than $42,000 missing. Auditors initially noticed financial discrepancies when reviewing money on hand at city hall. Investigations revealed that since January 2015 at least $34,000 in cash was received and documented but not deposited. Additionally, more than $7,000 in utility check payments were recorded in the system, but not deposited. In December, the former Winona city clerk was arrested on a felony charge of receiving stolen property.

Missing money in Greenville, audit uncovers $160,000

An audit of the city of Greenville, located in Wayne County, found more than $160,000 missing from city funds. The audit was initiated as a part of a law enforcement investigation, which resulted in criminal charges filed by the Attorney General's Office. The report detailed improper payroll and other payments, improperly cashed checks and missing cash over a period of more than two years. Felony charges were filed against the former city clerk.

Guilty plea by Callaway County clerk

An audit of the Callaway County Collector's Office detailed more than $300,000 stolen from the collector's office between Jan. 1, 2016 and March 15, 2018. During the more than two years covered by the audit, over $244,000 in cash went missing and was not deposited. Additionally, more than $71,000 in improper checks were issued by the former collector directly to herself. The former collector pleaded guilty to federal criminal charges regarding the theft of public funds.

Stealing & forgery charges facing Coffey city clerk

An audit of the city of Coffey in Daviess County revealed more than $60,000 missing from the small northwest Missouri town. According to the audit, over a period of almost two years the former city clerk failed to make deposits, received improper payroll payments, and falsified board minutes and various financial reports. Felony charges of stealing and forgery were filed against the former city clerk.

Misuse of city funds in Glasgow, missing funds

An audit of Glasgow, located in Chariton and Howard counties, revealed thousands of dollars missing, city funds used to pay a personal credit card and missing firearms. The suspicious activity took place under the supervision of a former city administrator who also served as police chief. The State Auditor's Whistleblower Hotline received a tip related to credit card purchases and firearm inventory concerns. The information was referred to law enforcement and the city ultimately formally requested an audit. The audit found missing cash totaling more than $4,000, credit card charges that were improper or personal in nature and at least three firearms purchased by the city that are missing or unaccounted for.

"When we uncover a serious violation of public trust, my office partners with law enforcement to get answers for citizens and hold corrupt public officials accountable."

Weigh in Motion

Report details conflicts of interest in how state officials administered transportation services contract

A report outlined a series of questionable communications and actions by state employees that demonstrated conflicts of interest in administering the state's weigh in motion contract.

Missouri uses electronic weigh station technology to allow trucking companies to bypass traditional weigh stations and provide data to the state. For the past 15 years, this service has been provided by a nonprofit that contracts to utilize public resources to do business within the state.

Auditors reviewed a series of communications from employees from the Highway Patrol and MoDOT, several of whom also served on the board for the nonprofit. The communications revealed close working relationships with the private entity that cast doubt on the employees' independence and may have led to bias in their decision making.

Within less than a year after leaving state employment, three state employees were subsequently hired by or contracted with the nonprofit. Two of these former employees had business-related communications with the state, including with former subordinates.

There was a further lack of transparency in these relationships because three state employees failed to properly disclose expenses paid to them on their personal financial disclosures to the Missouri Ethics Commission. In two instances, the disclosures were later amended to include board membership and expenses paid by the nonprofit.

Protecting Taxpayers

Not enough being done to prevent or detect abuse of food assistance programs

An audit of the Department of Social Services' Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program, found millions of dollars in questionable transactions by recipients who were deceased, incarcerated or making purchases exclusively out of state. The audit found issues with the integrity and accuracy of data and made recommendations to ensure potential fraud is identified quickly.

Government red tape hinders efforts to help victims of domestic violence

Burdensome requirements in state law have meant an inefficient and uneven distribution of funding across Missouri, according to an audit of domestic violence shelter funding. In 2017, there were a reported 28,182 unmet requests for shelter and other services in Missouri.

To obtain funding collected by a city or county, domestic violence shelters must demonstrate to local officials that they meet a list of legal qualifications and also file an annual report with that local authority. These requirements for information burden shelters, duplicating documentation already filed with other state agencies. State law also does not require local authorities collecting domestic violence fees to actually distribute the funds or set a limit on the amount they can retain.

Auditor Galloway encouraged the legislature to address the concerns highlighted in the audit and streamline the process of getting money to shelters to assure funds are being used to help Missourians in need.

More than 1,200 sex offenders unaccounted for

An audit of the sexual offender registration program found more than 1,200 registered sex offenders were unaccounted for. State law requires those convicted or found guilty of sexual offenses to register their name, address and other information with the chief local law enforcement official, who is most often the county sheriff. That information is made public through a database and website maintained by the Missouri State Highway Patrol. Offenders must verify the information at regular intervals and notify the appropriate law enforcement officials if they move.

Due to inadequate enforcement of the registration requirements at the local level, 1,259 registered sex offenders failed to comply with state law during the audit period. Although not complying with registration requirements is a felony, the audit found that less than 10 percent of offenders identified as noncompliant had an active arrest warrant for non-compliance. The report also highlighted a need to improve management of the database and weaknesses in current state laws.

Audits Get Results

Putnam County Memorial ends questionable lab billing scheme

In 2017, Auditor Galloway's report on Putnam County Memorial Hospital uncovered $90 million in inappropriate lab billings. The findings of the audit were covered by national news outlets and resulted in calls for a federal investigation into hospital billing schemes.

The questionable activity began after the Putnam County Hospital Board hired Hospital Partners, Inc., to take over day-to-day management of the hospital. In July, Auditor Galloway released a follow-up report, which found the board terminated the agreement with Hospital Partners, Inc. and an affiliated company that provided billing services and lab management.

The 2017 audit also found the hospital was paying the salaries of 33 employees from around the country to conduct lab work. These "employees" were removed from the hospital payroll in October 2017.

Increased accountability for special taxing districts in city of Harrisonville

In 2017, an audit of the city of Harrisonville found financial management issues and lack of accountability in redevelopment and revitalization projects that depend on revenue from both Transportation Development Districts (TDDs) and Tax Increment Financing Districts (TIFs).

Since May 2017, no new incentives have been approved, and the city is in the process of developing better procedures to account for remaining debt on existing projects. The city has filled vacant positions on the TIF Commission, held public meetings and filed annual reports as required by law. The review also found that the city is no longer using restricted utility funds to pay for road improvements on a separate TDD project, and repaid money previously loaned from the utility account with interest.

University of Missouri ends hidden bonuses and addresses vehicle allowances

A follow-up report found improvement since the March 2017 audit criticized the UM System for hidden payments and incentives to top executives and for excessive vehicle allowances for system executives.

The follow-up report found that no incentive pay has been issued since March 10, 2017, and that the university system has stopped eight of the 15 vehicle allowances noted in the 2017 audit. The University is phasing out four administrators' vehicle allowances as their contracts come up for renewal.

National news stories highlight billing schemes at rural hospitals throughout the country

National news stories made it clear billing schemes extend well beyond Putnam County Memorial Hospital. A CBS News investigation focused on similar situations in Florida and Georgia where health care management companies would either purchase financially strapped rural hospitals or take over their day-to-day management. Those companies then often would hire partner companies to perform lab services, which were billed to insurance companies at much higher reimbursement rates. After the stories aired, there were calls for a federal investigation into hospital billing schemes.

Audits can often reveal serious issues that need immediate attention. In certain circumstances, the Auditor will issue a follow-up report looking at what steps have been taken to address findings.

Increasing Government Accountability

New laws increase government accountability, protect privacy and taxpayer dollars

Auditor Galloway worked with lawmakers from both parties during the 2018 legislative session to pass several bills that went into effect on Aug. 28. They include measures improving school cybersecurity, protecting whistleblowers, holding government more accountable for tax refunds, and prohibiting state government from using non-disclosure agreements in taxpayer-funded settlements.

The 2018 legislation joins other priorities successfully pushed by the Auditor in recent years. In total, nine of the Auditor's legislative priorities have been passed by lawmakers during the past three sessions, with eight of the bills becoming law.

Leveling the playing field for taxpayers

A new law requires the state to pay taxpayers the same interest rate charged to taxpayers on late payments. The Auditor highlighted the interest rate disparity in a January 2018 audit on the timeliness of tax refunds from the Department of Revenue. In addition to finding so many refunds were issued late to taxpayers, Auditor Galloway worked with the legislature to fix the problem of the interest rate disparity. It passed.

Protecting the privacy of Missouri's students

Parents of students at public schools statewide must be notified by their children's school districts if a data breach compromises sensitive student data. The Auditor highlighted the issue of cybersecurity in schools, both through her audits and in her recognition of several Missouri school districts that proactively implemented parental notification policies.

Restoring protections to government whistleblowers

In 2017, then-Gov. Greitens signed a bill that stripped away long-standing whistleblower protections for government employees who exposed waste, fraud and misuse of taxpayer resources. The bill became law over the objections of Auditor Galloway. She called on lawmakers to restore the protections, saying they are vital to uncovering wrongdoing in government. Thanks to the new law passed in 2018, those protections are again in place.

Prohibiting non-disclosure agreements in taxpayer-funded settlements and judgments

Auditor Galloway has been a critic of non-disclosure agreements, or NDAs, in settlements or judgments that state government agencies pay from the Legal Expense Fund. NDAs prevent public discussion of claims settled against the government, Auditor Galloway said, and also can hide long-term, festering problems that often result in more lawsuits and greater costs to taxpayers. Those secret agreements are now prohibited because of legislation pushed by the Auditor.

CID laws allow pattern of self-dealing and lack of accountability

A report on Community Improvement Districts (CIDs) found that lax oversight of taxpayer-funded projects has allowed for spending decisions to be made by those that benefit the most. Taxpayers will be burdened with increased taxes to pay for an estimated $2.2 billion in costs for more than 400 CIDs across the state. The report outlined multiple recommendations to improve oversight and of CIDs and address lack of transparency.

Findings in the report included:

• State law does not require local governments to evaluate whether a district is in the best interest of the public.

• Districts can form with vague purposes and timeframes, and can change their purpose after being established.

• State law specifies that CID taxes should be approved by the qualified voters within a district; the majority of districts, however, are designed in such a way so as not to include any registered voters within their boundaries.

• There are no requirements as to the makeup of the board that oversees a CID. The report found more than 80 percent of CID boards are controlled by developers.

• The Department of Revenue does not adequately track sales tax district boundaries, resulting in errors in how taxes are administered.

"Legislators from both sides of the aisle worked together with my office to pass these bills. The benefits will put more money in Missourians' pockets, protect the privacy of our children, and hold government officials more accountable."

Looking Forward

In January 2019, Auditor Nicole Galloway was sworn in for a second term as Missouri's 38th State Auditor. Auditor Galloway reaffirmed her office's fight against public corruption. As part of that renewed commitment, Galloway announced she is directing increased resources towards investigations of fraud and abuse in government in a newly created Public Corruption and Fraud Division (PCFD) within the State Auditor's Office. By focusing additional resources on fighting public corruption through the PCFD, the Auditor's Office can more effectively address whistleblower complaints regarding abuse in local government.

2018 State Auditor's Office Reports

Report	Date Issued	Report Number
Clinton County	Dec-18	2018-140
Washington County	Dec-18	2018-139
Summary of 2018 Follow-Up Reports	Dec-18	2018-138
Monthly Report on Municipal Court and Revenue Filings November 2018	Dec-18	2018-137
Monthly Report on Political Subdivision Filings November 2018	Dec-18	2018-136
Adair County	Dec-18	2018-135
Department of Social Services Prescription Drug Oversight	Dec-18	2018-134
Department of Social Services Child Abuse and Neglect Hotline Unit	Dec-18	2018-133
2018 Property Tax Rates	Dec-18	2018-132
Follow-Up Report On Audit Findings Dade County	Dec-18	2018-131
Lewis County	Dec-18	2018-130
Follow-Up Report On Audit Findings City of St. Louis Office of Sheriff	Dec-18	2018-129
Audrain County	Dec-18	2018-128
Monthly Report on Political Subdivision Filings October 2018	Dec-18	2018-127
Monthly Report on Municipal Court and Revenue Filings October 2018	Dec-18	2018-126
Home and Community Based Services	Dec-18	2018-125
City of Seymour	Dec-18	2018-124
Follow-Up Report On Audit Findings City of Harrisonville	Dec-18	2018-123
Iron County	Nov-18	2018-122
Perry County	Nov-18	2018-121
City of Greenville	Nov-18	2018-120

2018 State Auditor's Office Reports

Report	Date Issued	Report Number
Follow-Up Report On Audit Findings City of St. Louis Department of Public Safety	Nov-18	2018-119
Follow-Up Report On Audit Findings City of St. Louis Board of Aldermen	Nov-18	2018-118
Follow-Up Report On Audit Findings City of St. Louis Department of Streets	Nov-18	2018-117
Follow-Up Report On Audit Findings City of St. Louis Department of Health	Nov-18	2018-116
Follow-Up Report On Audit Findings City of St. Louis Office of Treasurer	Nov-18	2018-115
Monthly Report on Political Subdivision Filings September 2018	Nov-18	2018-114
Monthly Report on Municipal Court and Revenue Filings September 2018	Nov-18	2018-113
Review of Independent Audits of Fire Protection Districts in St. Louis County	Oct-18	2018-112
Review of Independent Audits of Fire Protection Districts in Greene County	Oct-18	2018-111
Laclede County	Oct-18	2018-110
Follow-Up Report On Audit Findings City of St. Louis Office of the License Collector	Oct-18	2018-109
Follow-Up Report On Audit Findings City of St. Louis Community and Economic Development Offices	Oct-18	2018-108
Follow-Up Report On Audit Findings City of St. Louis Department of Public Utilities	Oct-18	2018-107
Sex Offender Registration	Oct-18	2018-106
Temporary Assistance for Needy Families (TANF) Data Analytics	Oct-18	2018-105
Monthly Report on Political Subdivision Filings August 2018	Oct-18	2018-104
Monthly Report on Municipal Court and Revenue Filings August 2018	Oct-18	2018-103
Clinton County Financial Statements	Sep-18	2018-102
Miller County Financial Statements	Sep-18	2018-101
City of Glasgow	Sep-18	2018-100
Smithville Area Fire Protection District	Sep-18	2018-099

2018 State Auditor's Office Reports

Report	Date Issued	Report Number
Crime Victims' Compensation System Data Analytics	Sep-18	2018-098
Callaway County Collector and Property Tax System	Sep-18	2018-097
Lewis County Financial Statements	Sep-18	2018-096
Osage County Financial Statements	Sep-18	2018-095
Dallas County Financial Statements	Sep-18	2018-094
Andrew County Financial Statements	Sep-18	2018-093
Economic Development Advancement Fund	Sep-18	2018-092
Follow-Up Report On Audit Findings City of St. Louis Office of Collector of Revenue	Sep-18	2018-091
Follow-Up Report On Audit Findings City of St. Louis Office of Circuit Attorney	Sep-18	2018-090
City of St. Louis Supply Division	Sep-18	2018-089
Worth County	Sep-18	2018-088
Domestic Violence Shelter Funding	Sep-18	2018-087
Laclede County Financial Statements	Sep-18	2018-086
Worth County Financial Statements	Sep-18	2018-085
Atchison County Financial Statements	Sep-18	2018-084
Hickory County Financial Statements	Sep-18	2018-083
Shannon County Financial Statements	Sep-18	2018-082
Andrew County	Sep-18	2018-081
Follow-Up Report On Audit Findings City of St. Louis Department of Parks, Recreation, and Forestry	Sep-18	2018-080
Follow-Up Report On Audit Findings City of St. Louis Office of Mayor and Other City Offices	Sep-18	2018-079
Follow-Up Report On Audit Findings City of St. Louis St. Louis Lambert International Airport	Sep-18	2018-078

2018 State Auditor's Office Reports

Report	Date Issued	Report Number
Follow-Up Report On Audit Findings City of St. Louis Information Technology Services Agency	Sep-18	2018-077
Adair County Financial Statements	Sep-18	2018-076
Dent County Financial Statements	Sep-18	2018-075
Iron County Financial Statements	Sep-18	2018-074
Perry County Financial Statements	Sep-18	2018-073
Follow-Up Report On Audit Findings City of St. Louis Office of the Comptroller	Sep-18	2018-072
Follow-Up Report On Audit Findings City of St. Louis Office of Public Administrator	Sep-18	2018-071
Follow-Up Report On Audit Findings City of St. Louis Department of Human Services	Sep-18	2018-070
City of Winona	Sep-18	2018-069
Monthly Report on Political Subdivision Filings July 2018	Sep-18	2018-068
Monthly Report on Municipal Court and Revenue Filings July 2018	Sep-18	2018-067
Scott County Financial Statements	Aug-18	2018-066
Washington County Financial Statements	Aug-18	2018-065
Crime Victims' Compensation System Data Security	Aug-18	2018-064
Scott County	Aug-18	2018-063
Follow-Up Report On Audit Findings City of St. Louis Board of Public Service	Aug-18	2018-062
Follow-Up Report On Audit Findings City of St. Louis Department of Personnel	Aug-18	2018-061
Barry County Financial Statements	Aug-18	2018-060
Holt County Collector and Property Tax System	Aug-18	2018-059
Reynolds County Financial Statements	Aug-18	2018-058
Audrain County Financial Statements	Aug-18	2018-057

2018 State Auditor's Office Reports

Report	Date Issued	Report Number
Community Improvement Districts	Aug-18	2018-056
Department of Revenue Sales and Use Tax	Aug-18	2018-055
Shannon County	Aug-18	2018-054
Gasconade County Financial Statements	Aug-18	2018-053
Follow-Up Report On Audit Findings City of St. Louis Supply Division	Aug-18	2018-052
Summary of Local Government and Court Audit Findings - Information Security Controls	Aug-18	2018-051
Follow-Up Report On Audit Findings Twenty-First Judicial Circuit City of Ferguson Municipal Division	Aug-18	2018-050
City of Bethany	Aug-18	2018-049
Monthly Report on Political Subdivision Filings June 2018	Aug-18	2018-048
Monthly Report on Municipal Court and Revenue Filings June 2018	Aug-18	2018-047
City of Coffey	Jul-18	2018-046
Follow-Up Report On Audit Findings Putnam County Memorial Hospital	Jul-18	2018-045
Department of Conservation	Jul-18	2018-044
Atchison County	Jun-18	2018-043
Monthly Report on Political Subdivision Filings May 2018	Jun-18	2018-042
Monthly Report on Municipal Court and Revenue Filings May 2018	Jun-18	2018-041
Thirtieth Judicial Circuit City of Seymour Municipal Division	Jun-18	2018-040
Sixteenth Judicial Circuit City of Sugar Creek Municipal Division	Jun-18	2018-039
Kinloch Fire Protection District	Jun-18	2018-038
Vernon County Ambulance District	Jun-18	2018-037
Administration Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2017	Jun-18	2018-036

2018 State Auditor's Office Reports

Report	Date Issued	Report Number
2017 Annual Report	Jun-18	2018-035
Reynolds County	Jun-18	2018-034
Osage County	Jun-18	2018-033
Supplemental Nutrition Assistance Program (SNAP) Data Analytics Program	Jun-18	2018-032
Village of Centertown	May-18	2018-031
Monthly Report on Political Subdivision Filings April 2018	May-18	2018-030
Monthly Report on Municipal Court and Revenue Filings April 2018	May-18	2018-029
Thirty-Seventh Judicial Circuit City of Winona Municipal Division	May-18	2018-028
Dade County	May-18	2018-027
Follow-Up Report On Audit Findings University of Missouri System Administration	May-18	2018-026
Hazelwood School District	May-18	2018-025
Weigh In Motion Contracts	Apr-18	2018-024
Monthly Report on Political Subdivision Filings March 2018	Apr-18	2018-023
Monthly Report on Municipal Court and Revenue Filings March 2018	Apr-18	2018-022
MissouriBUYS Statewide eProcurement System	Apr-18	2018-021
Monthly Report on Political Subdivision Filings February 2018	Apr-18	2018-020
Monthly Report on Municipal Court and Revenue Filings February 2018	Apr-18	2018-019
Review of Independent Audits of Fire Protection Districts in St. Louis County	Apr-18	2018-018
Review of Independent Audits of Fire Protection Districts in Greene County	Apr-18	2018-017
State of Missouri Single Audit Year Ended June 30, 2017	Mar-18	2018-016
Follow-Up Report On Audit Findings Montgomery County	Mar-18	2018-015

2018 State Auditor's Office Reports

Report	Date Issued	Report Number
Office of State Treasurer	Mar-18	2018-014
Compilation of 2017 Federal Forfeiture Reports	Mar-18	2018-013
Stoddard County	Mar-18	2018-012
Follow-Up Report On Audit Findings City of Wellston	Mar-18	2018-011
Monthly Report on Political Subdivision Filings January 2018	Feb-18	2018-010
Monthly Report on Municipal Court and Revenue Filings January 2018	Feb-18	2018-009
Compilation of 2017 Criminal Activity Forfeiture Act Seizures	Feb-18	2018-008
State Budget Stress Test	Feb-18	2018-007
Monthly Report on Political Subdivision Filings December 2017	Jan-18	2018-006
Monthly Report on Municipal Court and Revenue Filings December 2017	Jan-18	2018-005
Sixth Judicial Circuit Village of Ferrelview Municipal Division	Jan-18	2018-004
Working Capital Revolving Fund	Jan-18	2018-003
Comprehensive Annual Financial Report / Year Ended June 30, 2017	Jan-18	2018-002
Timeliness of Income Tax Refund Issuance	Jan-18	2018-001

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
12/18/2018	City of Blue Springs, Neighborhood Improvement District	$9,625,000.00
12/10/2018	Eureka Fire Protection District	$3,500,000.00
12/7/2018	Pattonville Fire Protection District	$2,845,000.00
12/7/2018	St. Charles County Ambulance District	$47,035,000.00
12/3/2018	Wentzville R-IV School District	$157,290,000.00
11/29/2018	Francis Howell R-III School District	$6,035,000.00
11/21/2018	Warrensburg R-VI School District	$6,385,000.00
11/16/2018	Bloomfield R-XIV School District	$1,350,000.00
11/15/2018	City of St. Charles, Neighborhood Improvement District	$4,980,000.00
11/15/2018	Dunklin R-V School District	$7,945,000.00
11/15/2018	School District of Maplewood Richmond Heights	$3,605,000.00
11/2/2018	Reorganized School District No. 4	$3,705,000.00
10/29/2018	West County EMS and Fire Protection District	$3,010,000.00
10/24/2018	Liberal R-II School District	$3,000,000.00
10/16/2018	Ferguson Reorganized School District R-2	$8,060,000.00
10/16/2018	Johnson County Fire Protection District	$1,200,000.00
10/11/2018	School District of the City of Ladue	$2,850,000.00
10/4/2018	Lawson Reorganized School District No. R-XIV	$2,500,000.00
10/4/2018	Park Hill School District	$23,285,000.00
10/2/2018	Reorganized School District No. 4	$49,000,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
9/27/2018	City of Smithville	$2,000,000.00
9/25/2018	The School District of the City of Independence	$19,165,000.00
9/14/2018	Santa Fe R-X School District	$3,305,000.00
8/31/2018	Union R-XI School District	$9,500,000.00
8/30/2018	St. James R-I School District	$4,000,000.00
8/13/2018	City of Kearney	$3,500,000.00
8/2/2018	Johnson County Neighborhood Improvement District	$315,803.00
7/26/2018	Dixon R-I School District	$2,800,000.00
7/23/2018	Southern Platte Fire Protection District	$4,000,000.00
7/23/2018	City of Manchester	$9,000,000.00
7/18/2018	City of Dellwood	$1,970,000.00
7/5/2018	Diamond R-IV School District	$3,000,000.00
7/5/2018	Oak Ridge R-VI School District	$2,600,000.00
7/5/2018	Southern Boone County R-I School District	$4,785,000.00
7/5/2018	Chadwick R-I School District	$1,950,000.00
7/5/2018	Lakeland R-III School District	$2,500,000.00
7/3/2018	Hollister R-V School District	$3,050,000.00
6/29/2018	Miller R-II School District	$1,250,000.00
6/29/2018	Marionville R-IX School District	$2,000,000.00
6/29/2018	Pleasant Hill R-III School District	$9,000,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
6/28/2018	Northwest R-I School District	$15,500,000.00
6/28/2018	Brentwood School District	$9,425,000.00
6/27/2018	Crane R-III School District	$1,250,000.00
6/27/2018	Andrew County, Neighborhood Improvement District	$152,000.00
6/22/2018	City of Grain Valley	$3,380,000.00
6/22/2018	Orchard Farm R-V School District	$18,400,000.00
6/22/2018	Hallsville R-IV School District	$7,000,000.00
6/22/2018	Harrisburg R-VIII School District	$2,250,000.00
6/22/2018	Marshfield R-I School District	$8,000,000.00
6/22/2018	Pattonville R-III School District	$23,000,000.00
6/18/2018	Fair Play R-II School District	$1,600,000.00
6/14/2018	Lockwood R-I School District	$1,450,000.00
6/12/2018	School of the Osage	$23,000,000.00
6/12/2018	Liberty Public School District No. 53	$49,000,000.00
6/8/2018	Polo R-VII School District	$1,845,000.00
6/8/2018	Pierce City R-VI School District	$2,400,000.00
6/7/2018	Fayette R-III School District	$1,000,000.00
6/7/2018	Midway R-I School District	$3,700,000.00
6/7/2018	Iberia R-V School District	$334,000.00
6/7/2018	Bismarck R-V School District	$1,700,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
6/1/2018	Stewartsville C-2 School District of DeKalb County	$1,100,000.00
6/1/2018	Marceline R-V School District	$2,100,000.00
6/1/2018	Slater School District	$2,000,000.00
6/1/2018	Green Township of Nodaway County	$190,000.00
6/1/2018	Union Township of Nodaway County	$75,000.00
6/1/2018	Hughes Township of Nodaway County	$130,000.00
6/1/2018	City of Lake Winnebago	$200,000.00
5/29/2018	Kennett School District No. 39 of Dunklin County	$5,800,000.00
5/25/2018	Kearney Fire and Rescue Protection District	$2,445,000.00
5/25/2018	Elsberry R-II School District	$2,500,000.00
5/25/2018	Pemiscot County Special School District	$1,100,000.00
5/9/2018	Ash Grove R-IV School District	$800,000.00
5/7/2018	Northeast Randolph County R-IV School District	$1,375,000.00
5/4/2018	Grain Valley R-V School District	$8,500,000.00
5/4/2018	La Monte R-IV School District	$2,000,000.00
5/3/2018	Pemiscot County R-III School District	$300,000.00
5/3/2018	Osborn R-0 School District	$1,100,000.00
5/3/2018	School District of Riverview Gardens	$3,140,000.00
5/3/2018	School District of Riverview Gardens	$8,560,000.00
5/2/2018	Marquand-Zion R-VI School District	$340,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
5/2/2018	Marion County R-II School District	$850,000.00
5/1/2018	Johnson County R-VII School District	$2,000,000.00
4/24/2018	Sweet Springs	$805,000.00
4/20/2018	Smithville R-II School District	$3,125,000.00
4/18/2018	Reorganized School District No. 2 (Willard) of Greene County	$11,000,000.00
4/9/2018	Windsor C-1 School District	$9,500,000.00
4/4/2018	City of Oak Grove	$1,726,000.00
4/2/2018	City of Marshfield	$10,000,000.00
3/26/2018	Normandy Schools Collaborative of St. Louis County	$8,000,000.00
3/23/2018	Fort Osage R-1 School District	$9,875,000.00
3/22/2018	Cole County Neighborhood Improvement District	$425,000.00
3/22/2018	The School District of Columbia	$35,000,000.00
3/22/2018	Reorganized School District R-II of Cape Girardeau County	$13,500,000.00
3/16/2018	Belton School District #124	$2,140,000.00
3/16/2018	Creve Coeur Fire Protection District	$3,000,000.00
3/12/2018	Camdenton Reorganized School District No. R-3	$5,960,000.00
3/12/2018	Rockwood R-VI School District	$62,800,000.00
3/7/2018	Lincoln County R-III School District	$7,705,000.00
3/5/2018	City of Otterville	$600,000.00
3/1/2018	Nodaway Township	$200,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
2/27/2018	**Greenville R - II School District**	$2,725,000.00
2/5/2018	**City of Maryville**	$2,390,000.00
1/31/2018	**City of St. Peters**	$4,000,000.00
1/26/2018	**Wentzville Fire Protection District**	$1,000,000.00
1/24/2018	**Meramec Valley R-III School District**	$3,750,000.00

Initiative Petitions or Joint Resolutions

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-HJR 59	6/1/2018	House Joint Resolution No. 59 (Bingo)	6/25/2018
18-371	3/27/2018	Proposal Related to Chapter 558, RSMo (Walker) - Prison Commitment Terms	Rejected by Secretary of State
18-370	3/23/2018	Proposal Related to Chapter 173, RSMo (Hagg) - Campus Free Expression Act	Rejected by Secretary of State
18-369	3/23/2018	Proposal Related to Chapter 116, RSMo (Hagg) - Fines	Rejected by Secretary of State
18-368	3/15/2018	Proposal Related to Chapter 441, RSMo (Reed) - Rent Eviction	Rejected by Secretary of State
18-367	3/15/2018	Proposal Related to Chapter 250, RSMo (Reed) - Disconnection of Water	Rejected by Secretary of State
18-366	3/15/2018	Proposal Related to Chapter 115, RSMo (Brown) - The Grand Marshal Party	Rejected by Secretary of State
18-365	3/13/2018	Proposed Amendment (Brown) - Formal Process for Sainthood	Rejected by Secretary of State
18-364	3/13/2018	Proposal Related to Chapter 321, RSMo (Brown) - Illegal Office Holders	Rejected by Secretary of State
18-363	3/12/2018	Proposal Related to Chapter 196, RSMo (Melton) - Prescribing Protocols on Dangerous Drugs of Abuse	Rejected by Secretary of State
18-362	3/12/2018	Proposal Related to Chapter 178, RSMo (Brown) - Recall Unbonded Board Membership	Rejected by Secretary of State
18-361	3/7/2018	Proposal Related to Chapter 393, RSMo (Owens) - Missouri Renewable Energy Standards	4/3/2018

Initiative Petitions or Joint Resolutions

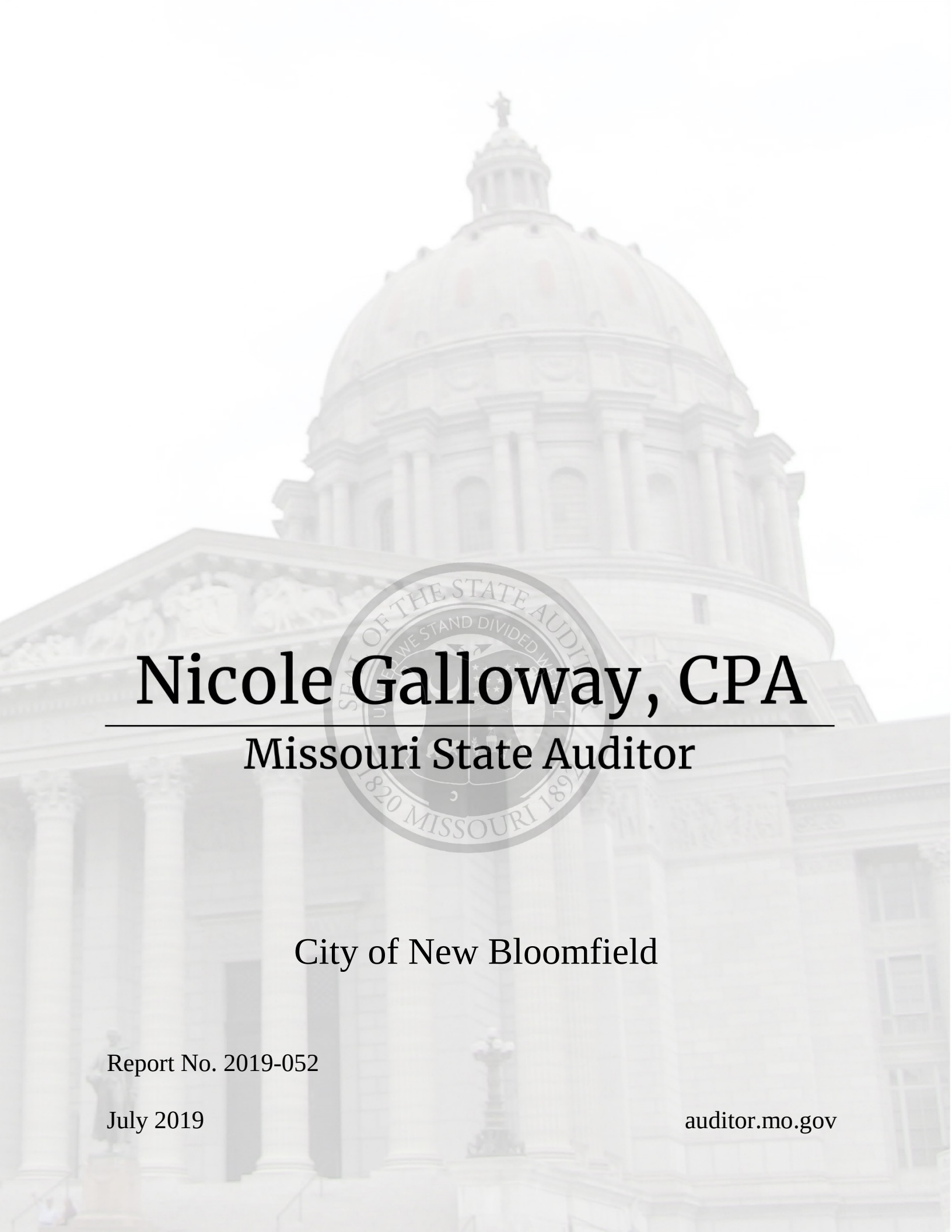
Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-360	3/6/2018	Proposal Related to Chapter 393, RSMo, version 3 (Owens) - Missouri Renewable Energy Standards	4/2/2018
18-359	3/6/2018	Proposal Related to Chapter 393, RSMo, version 2 (Owens) - Missouri Renewable Energy Standards	4/2/2018
18-358	3/1/2018	Proposed Constitutional Amendment - Article IV (Reed) - Sales Tax for Truck Driving Lane	Rejected by Secretary of State
18-357	2/28/2018	Proposed Constitutional Amendment - Article I (Reed) - Petitioning in Outdoor Spaces	Rejected by Secretary of State
18-356	2/16/2018	Proposal Related to Chapter 393, RSMo, version 3 (Patterson) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-355	2/16/2018	Proposal Related to Chapter 393, RSMo, version 2 (Patterson) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-354	2/16/2018	Proposal Related to Chapter 393, RSMo, version 1 (Patterson) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-353	2/9/2018	Proposal Related to Chapter 393, RSMo, version 3 (Owens) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-352	2/9/2018	Proposal Related to Chapter 393, RSMo, version 2 (Owens) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-351	2/9/2018	Proposal Related to Chapter 393, RSMo, version 1 (Owens) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-350	2/1/2018	Proposal Related to Chapter 393, RSMo, version 3 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-349	2/1/2018	Proposal Related to Chapter 393, RSMo, version 2 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State

Initiative Petitions or Joint Resolutions

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-348	2/1/2018	Proposal Related to Chapter 393, RSMo, version 1 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-347	1/22/2018	Proposal Related to Chapter 506, RSMo (Brown) - Conceal Carry for Process Servers	Rejected by Secretary of State
18-346	1/19/2018	Proposed Statutory Amendment (Reed) - Rent Eviction	Rejected by Secretary of State
18-345	1/19/2018	Proposed Statutory Amendment (Reed) - Disconnection of Water	Rejected by Secretary of State
18-344	1/19/2018	Proposed Statutory Amendment (Reed) - Petitioning in Outdoor Spaces	Rejected by Secretary of State
18-343	1/17/2018	Proposed Constitutional Amendment - Article IV (Reed) - Sales Tax for Technology Parks	Rejected by Secretary of State
18-342	1/17/2018	Proposal Related to Chapter 393, RSMo, version 6 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-341	1/17/2018	Proposal Related to Chapter 393, RSMo, version 5 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-340	1/17/2018	Proposal Related to Chapter 393, RSMo, version 4 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-339	1/17/2018	Proposal Related to Chapter 393, RSMo, version 3 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-338	1/17/2018	Proposal Related to Chapter 393, RSMo, version 2 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State
18-337	1/17/2018	Proposal Related to Chapter 393, RSMo, version 1 (Linhares) - Missouri Renewable Energy Standards	Rejected by Secretary of State

Initiative Petitions or Joint Resolutions

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
18-336	1/16/2018	Proposed Constitutional Amendment - Article V (Reed) - Bar Exam Eligibility	2/15/2018
18-335	1/11/2018	Proposed Constitutional Amendment - Article IV (Reed) - Sales Tax for Rail Passenger Service	Rejected by Secretary of State
18-334	1/10/2018	Proposed Constitutional Amendment - Article IV, Section 48 (Reed) - Limitations on Use of Hand-Held Communication Devices in Vehicles	2/9/2018
18-333	1/10/2018	Proposed Constitutional Amendment - Article IV (Reed) - Sales Tax for Rail Passenger Service	Rejected by Secretary of State
18-332	1/10/2018	Proposed Constitutional Amendment - Article I (Reed) - Petitioning at State Funded Operations	2/9/2018
18-331	1/8/2018	Proposed Constitutional Amendment - Article IV (Reed) - Sales Tax for Truck Driving Lane	Rejected by Secretary of State
18-330	1/3/2018	Proposal Related to Chapter 47, RSMo (Brown) - Formation of a New Missouri County	Rejected by Secretary of State



Nicole Galloway, CPA

Missouri State Auditor

City of New Bloomfield

Report No. 2019-052

July 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of New Bloomfield

Segregation of Duties	The Board of Aldermen has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed.
Budget and Financial Reporting	The city budget prepared for the year ended December 31, 2018, did not contain all required elements. The city did not maintain accurate accounting records.
Sunshine Law	The Board did not make specific reference to the section of law allowing the closure of Board meetings when voting to go into a closed session for 3 of the 8 closed meetings held during the year ended December 31, 2018.
Bidding	The city has not followed established policies and procedures for the selection of professional audit services in accordance with the city's bidding policy.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of New Bloomfield
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of New Bloomfield, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of New Bloomfield. We have audited certain operations of the city in fulfillment of our duties. The city engaged Gerding, Korte & Chitwood, P.C., Certified Public Accountants, to audit the city's financial statements for the year ended December 31, 2018. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

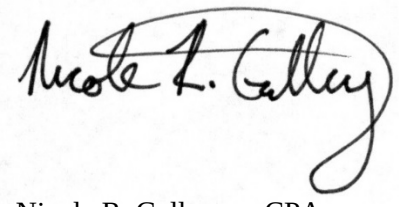
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the city.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Steven J. Barton
Audit Staff:	Michaela N. Shaver
	Zachery L. Harris

City of New Bloomfield
Management Advisory Report
State Auditor's Findings

1. Segregation of Duties

The Board of Aldermen has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed. The City Clerk is responsible for receipting and recording payments received, making deposits, issuing checks, and performing bank reconciliations. Reviews of the detailed accounting and bank records are not performed by other city personnel or Board members.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

Recommendation

The Board of Aldermen segregate the accounting duties. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.

Auditee's Response

Segregation of duties for the City Clerk is cost prohibitive for the city at this time. Until such time as funds are available to fund a second employee, the Board will review all financial records and provide general oversight accountability.

2. Budget and Financial Reporting

The 2018 annual budget was not prepared in accordance with state law and the city did not maintain accurate accounting records.

2.1 Budget

The city budget prepared for the year ended December 31, 2018, did not contain all required elements. The budget document did not include a budget message, actual or budgeted amounts for the 2 preceding years, payments of interest and principal for debt, the actual beginning and estimated ending cash balance for any funds, or a budget summary. In addition, the Board does not receive a report of the city's budget-to-actual financial information at its meetings, and as a result, does not adequately monitor the city's annual budget. As a result, the public is not provided a complete overview of city finances.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting the tax levy, utility rates, and informing the public about city operations and current finances. Proper monitoring is necessary for the budget to be an effective management tool and to comply with state law.

2.2 Accounting records

The city did not maintain accurate accounting records. We performed a test of 35 disbursements and identified 5 errors (14 percent) including:

- The amounts recorded in the accounting records for the principal and interest on a loan did not agree to the principal and interest amounts per the United States Department of Agriculture loan agreements. The principal and interest amounts paid on this loan fluctuates monthly. The payment made on April 1, 2018, totaled $3,749 with $1,521 to be applied to principal and $2,228 to interest; however, the city recorded $2,847 to principal and $902 to interest. This error resulted in overstating the principal paid by $1,326 and understating interest by that amount.

- The city paid a vendor $2,108 on June 20, 2018, and again on July 18, 2018, for the same invoices. The vendor applied the overpayment to subsequent invoices.

Accurate financial information is necessary for the Board to make informed decisions and to provide residents with reliable information about city finances. Inaccurately recorded transactions make it more difficult to detect loss, theft, or misuse of funds.

Recommendations

The Board of Aldermen:

2.1 Prepare annual budgets that contain all information as required by state law. In addition, the Board periodically obtain and review reports of budgeted and actual disbursements to properly monitor the annual budget.

2.2 Ensure accounting transactions are appropriately recorded.

Auditee's Response

2.1 The Board is taking steps to assure that all budget forms are in full compliance with Section 67.010, RSMo, and any other provisions, as well as being comprehensive and understandable to the general public. The 2019 budget was correctly presented in the budget-to-actual 3 year format. The budget message for the year 2018 was presented in the 2017 audit report, however, it was not presented as part of the 2018 budget. The Board is adopting procedures to maintain compliance. Section 67.010, RSMo, does not require a Board to review their budget at each monthly meeting; however, in interest of increased supervision, the Board will be monitoring the budget-to-actual financial information on a more frequent basis.

2.2 Accounting transactions are reviewed together frequently with the City Clerk and a member of the Board to ensure transactions are accurately recorded. Two signatures have always been and will continue to be required from the Mayor and an Alderman or two

Aldermen to validate every check. In the past, the city auditor has corrected the loan allocation of principal versus interest annually. This problem will be corrected in future financial documents.

3. Sunshine Law

The Board did not make specific reference to the section of law allowing the closure of Board meetings when voting to go into a closed session for 3 of the 8 closed meetings held during the year ended December 31, 2018.

Section 610.022, RSMo, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the reason into the minutes.

Recommendation

The Board of Aldermen ensure the specific section of law allowing the meeting to be closed is announced publicly and recorded in the minutes.

Auditee's Response

It is and has been the policy of the Board that before entering into each executive session, the Board announces the specific section of Section 610.021, RSMo, that applies. However, it was not always recorded correctly in the minutes. Minutes will be carefully reviewed to ensure accuracy.

4. Bidding

The city has not followed established policies and procedures for the selection of professional audit services in accordance with the city's bidding policy. The city did not solicit requests for proposals and did not periodically conduct a competitive selection process when the current CPA firm was contracted to perform the annual audit for the last 4 years. During the year ended December 31, 2018, the city paid $9,400 to the CPA firm for the 2017 audit. The city's procurement policy requires the city to advertise bids for expenditures over $5,000.

Soliciting proposals for professional services is good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider taking expertise, experience, and cost into consideration.

Recommendation

The Board of Aldermen periodically solicit proposals for professional services in accordance with the established city bidding policy.

Auditee's Response

The Board has consistently bid out professional contracts approximately every 3-5 years. Requests for proposals have been requested for the 2019 annual independent audit to be reviewed at the August 12, 2019, monthly meeting. Due to time constraints of the 2018 audit deadline of June 1, 2019, and personnel shortages, we were not able to accommodate a 2018 bid. The Board has now corrected personnel issues to prevent future occurrences.

City of New Bloomfield
Organization and Statistical Information

The City of New Bloomfield is located in Callaway County. The city was incorporated in 1971 and is currently a fourth-class city. The city employed 2 full-time employees on December 31, 2018.

City operations include utility services (water, sewer, and trash), and street maintenance.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2018, are identified below. The Mayor and Board of Aldermen receive no compensation.

Terry Shaw, Mayor
Rosemary Augustine, Alderwoman
Gary Hoelscher, Alderman
Bryan Manes, Alderman (1)
Martha Siegel, Alderwoman (2)

(1) Replaced by Daniel Kliethermes, who was elected in April 2019.
(2) Replaced by Michael Lowe, who was elected in April 2019.

Financial Activity

Appendixes A and B present a summary of the city's financial activity for the year ended December 31, 2018. We obtained this information from the city's audited financial statement report.

Appendix A

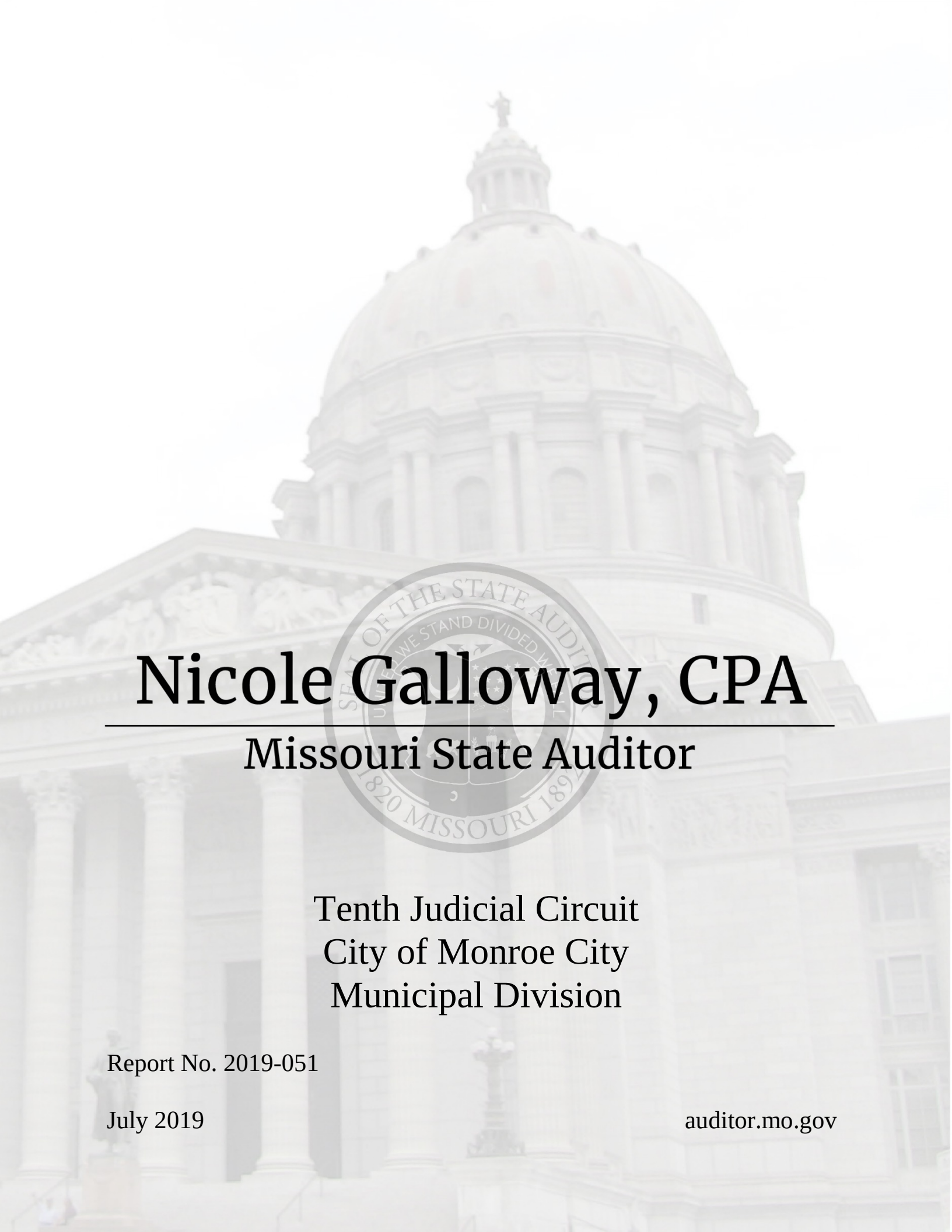
CITY OF NEW BLOOMFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2018

	General Fund
REVENUES COLLECTED	
Taxes	$ 188,632
Licenses and permits	3,100
Fines and forfeits	1,256
Miscellaneous	6,345
Interest	240
Total Revenues Collected	199,573
EXPENDITURES PAID	
General government	60,699
Public safety	32,966
Street	27,521
Courts	4,826
Debt service:	
Principal	38,000
Interest and fees	5,215
Total Expenditures Paid	169,227
Excess (Deficit) of Revenues Collected over Expenditures Paid	30,346
Fund Balance, beginning of year	71,063
Fund Balance, end of year	$ 101,409

Appendix B

CITY OF NEW BLOOMFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Business-Type Activities - Enterprise Funds			
	Water	**Sewer**	**Trash**	**Total**
Operating Revenues:				
Charges for services	$ 121,931	$ 124,073	$ 53,382	$ 299,386
Miscellaneous	829	3	-	832
Total Operating Revenues	122,760	124,076	53,382	300,218
Operating Expenses:				
Administrative costs	10,331	11,216	-	21,547
Depreciation	60,896	28,856	-	89,752
Insurance	2,512	1,301	-	3,813
Professional fees	6,124	5,924	-	12,048
Replacements and repairs	898	966	-	1,864
Operational costs	16,757	32,986	44,544	94,287
Personnel services	45,033	45,033	-	90,066
Total Operating Expenses	142,551	126,282	44,544	313,377
Net operating income (loss)	(19,791)	(2,206)	8,838	(13,159)
Nonoperating Revenue (Expense):				
Transfers in/(out)	8,299	-	(8,299)	-
Investment income	238	254	-	492
Interest expense and fees	(17,510)	(9,875)	-	(27,385)
Net Nonoperating Revenue (Expense)	(8,973)	(9,621)	(8,299)	(26,893)
Net income (loss)	(28,764)	(11,827)	539	(40,052)
Net position - beginning of year	533,909	638,538	3,532	1,175,979
Net position - end of year	$ 505,145	$ 626,711	$ 4,071	$ 1,135,927



Nicole Galloway, CPA

Missouri State Auditor

Tenth Judicial Circuit
City of Monroe City
Municipal Division

Report No. 2019-051

July 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Tenth Judicial Circuit - City of Monroe City Municipal Division

Accounting Controls and Procedures	The municipal division has not adequately segregated accounting and record-keeping duties, and neither the Municipal Judge nor city personnel perform supervisory or independent reviews of municipal division accounting and court records. The municipal division does not reconcile receipts slips issued for court receipts in the city's financial accounting system to the case management system to ensure all monies are properly recorded. Police department personnel cannot account for all bonds received. Generic unnumbered bond forms are issued and recorded on a log. Prenumbered receipt slips are issued for bond payments received; however, the receipt slip number is not posted to the log. The municipal division has not established a formal administrative plan for the collection of court debt and does not adequately monitor accrued costs, including fines and court costs.
Court Costs	The municipal division does not assess certain court costs in compliance with city ordinance and state law.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Tenth Judicial Circuit
City of Monroe City Municipal Division
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Tenth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Monroe City, Missouri

We have audited certain operations of the City of Monroe City Municipal Division of the Tenth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2018. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.

2. Evaluate the municipal division's and city's compliance with certain legal provisions.

3. Evaluate the municipal division's compliance with certain court rules.

4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

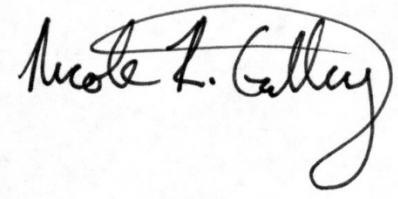
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) no significant noncompliance with court rules, and (4) no noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Monroe City Municipal Division of the Tenth Judicial Circuit.

A petition audit of the City of Monroe City, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Amanda G. Flanigan, MAcc
	Sacha Tejan

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the fiscal year ended September 30, 2018, the municipal division collected $40,285 in fines, court costs, and bonds.

1.1 Segregation of duties

The municipal division has not adequately segregated accounting and record-keeping duties, and neither the Municipal Judge nor city personnel perform supervisory or independent reviews of municipal division accounting and court records.

The Court Clerk is solely responsible for recording court receipts and case activity to the case management system, preparing disbursements, and preparing monthly financial reports for court activities. Court receipts can be collected by any administrative staff at city hall.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include accounting for the numerical sequence of receipt slips and ensuring monies received have been accounted for properly.

1.2 Recording and reconciling

The municipal division does not reconcile receipts slips issued for court receipts in the city's financial accounting system to the case management system to ensure all monies are properly recorded.

Failure to implement adequate recording and reconciling procedures increases the risk that loss, theft, or misuse of monies will go undetected.

1.3 Bonds

Police department personnel issue generic unnumbered bond forms and record information on bonds received on a log. Prenumbered receipt slips are issued for bond payments received; however, the receipt slip number is not posted to the log. As a result, police department personnel cannot account for all bonds received and ensure bonds are handled properly and transmitted to the Court Clerk timely.

To reduce the risk of loss, theft, or misuse of bond monies received, and to provide assurance all bond monies are accounted for properly, official prenumbered bond forms should be issued for all bonds received and all bonds collected should be recorded on a bond log and transmitted to the Court Clerk timely.

1.4 Accrued costs

The municipal division has not established a formal administrative plan for the collection of court debt and does not adequately monitor accrued costs, including fines and court costs.

The municipal division accepts partial payments from defendants; however, they do not sign formal payment plans. Municipal division personnel do not prepare a listing of accrued costs At our request, the Court Clerk prepared a listing of accrued costs totaling $4,515 as of April 23, 2019.

Proper and timely monitoring of accrued costs is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. In addition, proper monitoring is necessary to provide information to the Municipal Judge and determine appropriate handling when amounts are deemed uncollectible. Also, payment agreements signed by the defendant formalize the liability to the municipal division and could aid in the collection process.

Recommendations

The City of Monroe City Municipal Division:

1.1 Segregate accounting duties or ensure documented independent or supervisory reviews of municipal division accounting and court records are periodically performed.

1.2 Reconcile receipts slips issued for court monies in the city's financial accounting system to the case management system.

1.3 Work with the police department to ensure official prenumbered bond forms are issued, the numerical sequence of all bond forms is accounted for, and the bond log includes these numbers.

1.4 Establish procedures to monitor accrued costs and obtain signed payment plans from all defendants making partial payments.

Auditee's Response

1.1 A full segregation of duties is not possible due to the small number of employees at city hall. In addition, the Municipal Judge is only available one day a month for court. However, we agree an independent review would be beneficial and will work with the city to implement the recommendation.

1.2 A reconciliation of receipts recorded in the financial accounting system and the case management system will be performed and documented.

1.3 We will work with the police department to implement the recommendation.

1.4 We will establish procedures to monitor accrued costs and require defendants to sign payment plans.

2. Court Costs

The municipal division does not assess certain court costs in compliance with city ordinance and state law. We identified the following concerns:

- The municipal division does not assess and collect the $2 law enforcement training surcharge in accordance with city ordinance 30.47. The municipal division only charges a $1 law enforcement training surcharge. Section 488.5336.1, RSMo, allows municipalities to collect a $2 law enforcement training surcharge.

- The municipal division charges an additional $1 fee per case for judicial education instead of withholding the $1 fee from court costs in accordance with state law. Section 479.260.1, RSMo, provides that municipal divisions may withhold the $1 Judicial Education Fund fee from court costs (not collected in addition to court costs) if authorized by the city.

The municipal division should ensure courts costs are assessed in accordance with city ordinance and state law.

Recommendation

The City of Monroe City Municipal Division review all court costs to ensure amounts are assessed in accordance with city ordinance and state law.

Auditee's Response

We have already begun working with the city attorney to update the city's ordinances and fine schedule to ensure courts costs are assessed in accordance with city ordinance and state law.

Tenth Judicial Circuit
City of Monroe City Municipal Division
Organization and Statistical Information

The City of Monroe City Municipal Division is in the Tenth Judicial Circuit, which consists of Marion, Monroe, and Ralls Counties. The Honorable Rachel Bringer Shepherd serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize OSCA's statewide automated case management system known as JIS. Instead, the municipal division utilizes an automated case management software provided by Information Technologies, Inc., which has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At September 30, 2018, the municipal division employees were as follows:

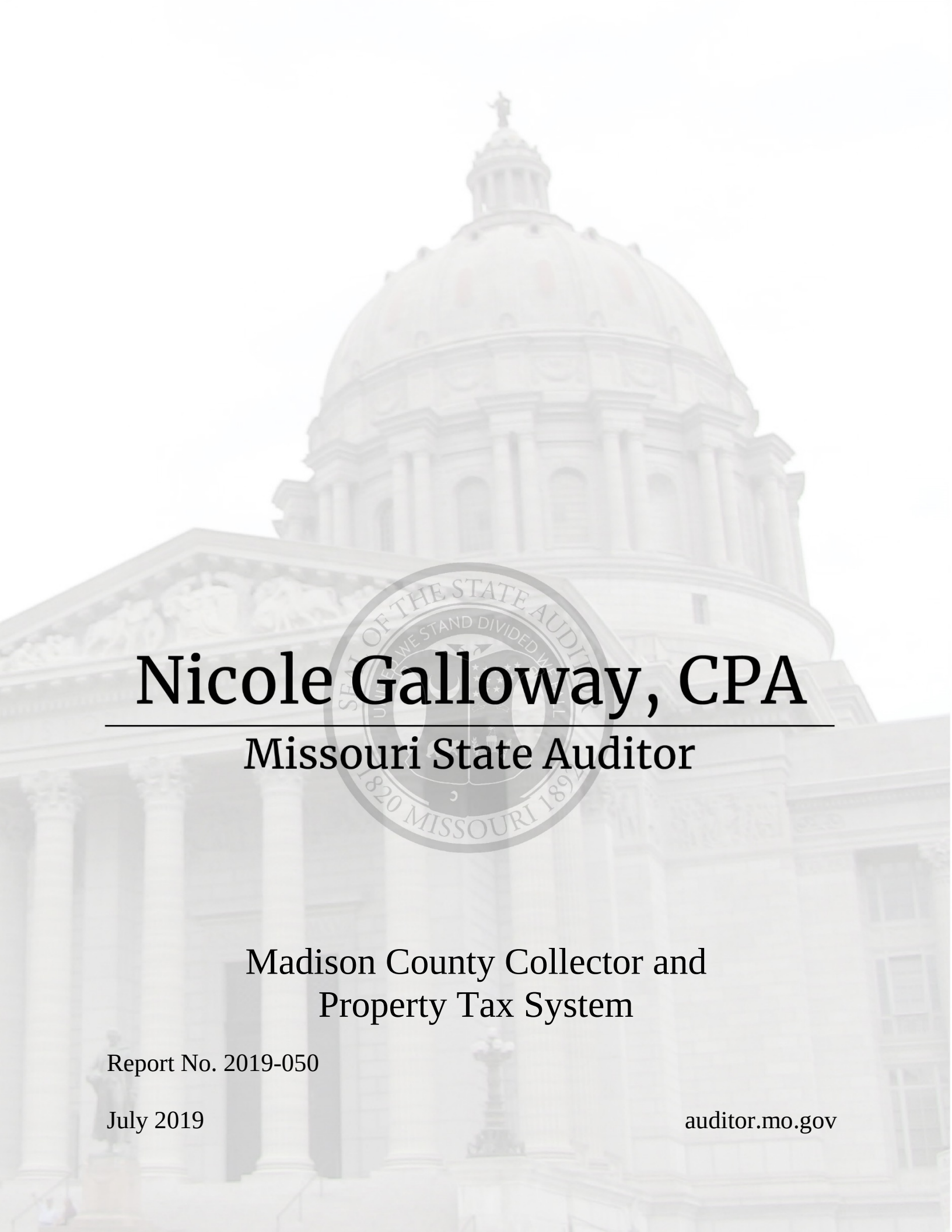
Title	Name
Municipal Judge	Michael P. Wilson
Court Clerk	Christine Ellison
Prosecuting Attorney	Michael Williams

Financial and Caseload Information

	Year Ended September 30, 2018
Receipts	$40,285
Number of cases filed	431

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	$ 12.00
Crime Victims' Compensation	7.50
Law Enforcement Training	1.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	1.00
Sheriff's Retirement	3.00
Judicial Education	1.00



Nicole Galloway, CPA

Missouri State Auditor

Madison County Collector and Property Tax System

Report No. 2019-050

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auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Madison County Collector and Property Tax System

Background

In October 2018, a taxpayer notified the County Collector about concerns with his taxes after he attempted to sell a piece of real estate and was informed his real estate taxes were unpaid and delinquent. The taxpayer provided the County Collector with a paid tax receipt issued by her office. On November 2, 2018, the County Collector requested and received a report of deleted transactions from the property tax system vendor. When scanning the list, she indicated she identified deleted transactions that looked unusual or she could not recall making. On November 5, 2018, the County Collector brought her concerns to the County Commission, who notified the Prosecuting Attorney. At the request of the Sheriff, the Missouri State Highway Patrol (MSHP) opened an investigation and obtained reports of deleted transactions.

On November 26, 2018, the State Auditor's Office (SAO) received an anonymous citizen concern regarding the County Collector's office. The SAO contacted the MSHP regarding its ongoing investigation and conducted an initial review of information provided by the MSHP under Section 29.221, RSMo. Based on discussions with law enforcement, the SAO determined an audit was warranted. The MSHP investigation is ongoing. The Sheriff, County Collector, County Clerk, and County Commission continue to cooperate with MSHP investigators.

Missing Monies and Other Questionable Deleted Transactions

Between January 1, 2017, and October 31, 2018, monies totaling at least $13,263 were receipted and the transactions were subsequently deleted from the property tax system. Two additional receipt transactions, totaling $1,108, were deleted and the taxes are delinquent in the property tax system. Three deleted transactions totaling $948 were for the former Deputy Collector's personal property taxes, including her 2016 taxes that were entered and deleted on two separate occasions.

County Collector's Controls and Procedures

The County Collector has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting and bank records. The County Collector did not review and approve deleted transactions in the property tax system or periodically obtain a report of deleted transactions from the property tax system vendor to review. The County Collector does not account for the numerical sequence of receipt slip numbers assigned by the property tax system or manual receipt slips issued for partial payments. The County Collector does not prepare monthly lists of liabilities for the office's two bank accounts and consequently, liabilities are not agreed to reconciled bank balances. The County Collector does not adequately monitor taxpayer balances in the partial payment account.

Electronic Data Security

Employees in the County Collector's office shared user identifications and passwords for the property tax system. The County Collector has not established adequate security controls to lock computers or the property tax system after a specified number of incorrect logon attempts. The County Collector does not store backup files at an off-site location. In addition, backup files are not periodically tested.

Review of Activity	Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector.

In the areas audited, the overall performance of this entity was **Poor**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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County Commission
and
County Collector
Madison County, Missouri

We have audited the County Collector and Property Tax System of Madison County in fulfillment of our duties under Sections 29.200.3 and 29.230, RSMo. Due to concerns regarding missing monies, the State Auditor initiated the audit. The scope of our audit included, but was not necessarily limited to, the period of January 1, 2018, through February 28, 2019. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.

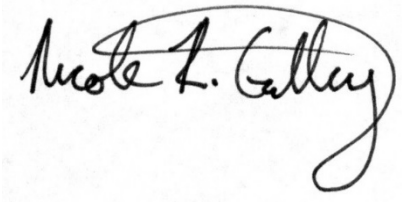
2. Evaluate the county's compliance with certain legal provisions.

3. Determine the extent of monies missing from the County Collector's office.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; requesting confirmation of tax account balances; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) missing monies totaling at least $13,263. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Madison County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Emily Barraclough, CPA
Audit Staff:	Misty Bowen, MSED

Madison County Collector and Property Tax System Introduction

Background

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, collectors are elected to terms that expire on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29). Property taxes and other monies collected by the Madison County Collector's office totaled approximately $8 million during the year ended February 28, 2019.

Debby Boone was elected Madison County Collector in November 2010, took office in March 2011, and has been subsequently elected to the position every 4 years thereafter. During the year ended February 28, 2019, the County Collector received compensation of $40,301. Compensation was in accordance with statutory provisions. The County Collector supervised the daily operations of the County Collector's office and employed 1 full-time Deputy Collector as of February 28, 2018. The Deputy Collector began extended leave on November 3, 2018, and voluntarily resigned on January 14, 2019. The office had 2 part-time employees as of February 28, 2019.

In October 2018, a taxpayer notified the County Collector about concerns with his taxes after he attempted to sell a piece of real estate and was informed his real estate taxes were unpaid and delinquent. The taxpayer provided the County Collector with a paid tax receipt issued by her office. The County Collector began reviewing this taxpayer's account and payment activity in the property tax system and noted the transaction supported by the paid tax receipt was missing and may have been deleted.

On November 2, 2018, the County Collector requested and received a report of deleted transactions from the property tax system vendor. When scanning the list, she indicated she identified deleted transactions that looked unusual or she could not recall making. On November 5, 2018, the County Collector brought her concerns to the County Commission, who notified the Prosecuting Attorney.

On November 6, 2018, the Prosecuting Attorney recommended personnel in the County Collector's office change their passwords, no longer accept cash, and cease deleting computer transactions, and the office not rehire any part-time staff who assisted during the 2017 tax season. The County Collector and Presiding Commissioner voluntarily signed a document agreeing to the recommendations. On November 7, 2018, Judge Rob Fulton issued an order to preserve evidence directing the County Collector and her employees not to dispose of any electronic or physical records in the custody of the County Collector's office and to not accept cash payments for any reason.

At the request of the Sheriff, the Missouri State Highway Patrol (MSHP) opened an investigation and obtained reports of deleted transactions. As part

of the investigation, MSHP investigators also interviewed various current and former employees of the County Collector's office and certain taxpayers associated with deleted transactions.

On November 26, 2018, the State Auditor's Office (SAO) received an anonymous citizen concern regarding the County Collector's office. The SAO contacted the MSHP regarding its ongoing investigation and conducted an initial review of information provided by the MSHP under Section 29.221, RSMo. Based on discussions with law enforcement, the SAO determined an audit was warranted.

We began an audit of the County Collector's office on March 4, 2019. The scope of our audit included, but was not necessarily limited to, the period of, January 1, 2018, through February 28, 2019. We reviewed the activity of the County Collector's bank accounts, including the general operating bank account (main account) and the partial payment account, and reviewed property tax records maintained by the County Collector's office. After identification of monies missing and the method used to perpetrate and conceal the theft, we applied limited procedures to certain property tax records for the year ended December 31, 2016. The limited procedures included reviewing deleted transaction data obtained from the property tax system vendor for the period.

Criminal investigation

The MSHP investigation is ongoing. The Sheriff, County Collector, County Clerk, and County Commission continue to cooperate with MSHP investigators.

1. Missing Monies and Other Questionable Deleted Transactions

Between January 1, 2017, and October 31, 2018, monies totaling at least $13,263[1] (see Appendix) were receipted and the transactions were subsequently deleted from the property tax system. The monies were not deposited and are missing. Additional transactions totaling at least $2,056 were receipted and subsequently deleted from the property tax system during the period and are questionable. As a result, additional monies may be missing.

When a tax payment is received, office personnel record the receipt in the property tax system and a system-generated paid tax receipt is issued to the taxpayer. At the end of each day, cash drawers are counted and reconciled to daily batch reports printed from the property tax system. Office personnel prepare separate deposit slips for each cash drawer and make deposits at a local bank the following morning. If transactions are deleted, they are not included on daily batch reports to be reconciled to collections.

We obtained and reviewed a report of deleted transaction data from the property tax system vendor for the period of January 1, 2017, through October 31, 2018.[2] Based on this report, receipt transactions for 39 personal property and 29 real estate tax bills were deleted and the taxes were considered delinquent as of November 2, 2018. Taxes related to 12 of the personal property and 9 real estate tax bills were subsequently abated by the County Assessor or paid and 2 of the personal property tax bills were related to the Deputy Collector.

We attempted to confirm the remaining 25 personal property and 20 real estate tax bills were actually delinquent or obtain documentation of payment. We obtained copies of paid tax receipts for 23 personal property and 17 real estate tax bills. One taxpayer confirmed his/her personal property taxes were delinquent, 2 taxpayers did not respond, and 1 taxpayer did not respond but subsequently paid her 2016 and 2017 real estate taxes.

Deleted transactions confirmed missing

Tax payments totaling $13,263 were recorded in the property tax system and a paid tax receipt issued, but the transactions were subsequently deleted and the associated payment taken before the daily deposit was prepared and the taxes were listed in the system as delinquent. (See Appendix)

Twenty-seven taxpayers provided proof of payment for their delinquent taxes to the County Collector or the SAO. The County Collector provided us 37 paid tax receipts from 24 taxpayers, totaling $12,139. The receipts were

[1] Amounts presented in the report finding text are rounded, whereas amounts presented in the tables in this section and the Appendix are not rounded.

[2] The County Collector requested the capability to delete transactions in the property tax system be removed in November 2018.

issued in 2017 and 2018 and show the taxes for 20 personal property and 17 real estate tax bills had been paid and should not have been listed as delinquent. The taxpayers brought the tax receipts to the County Collector after receiving their 2018 tax bill that also listed their 2016 and/or 2017 taxes as delinquent. Three additional taxpayers confirmed to our office their personal property taxes, totaling $1,124, were paid and provided paid tax receipts. Twenty-five of the 27 taxpayers indicated to the MSHP or SAO they paid cash, and the remaining 2 taxpayers did not indicate their method of payment.

Since the County Collector, former Deputy Collector, and seasonal employees used the same user identifications and passwords for the property tax system, there is no assurance that the user listed in the system for a transaction or deletion was the individual who performed the transaction (see MAR finding number 3.1). As a result, it is unclear who deleted the transactions.

Additional questionable deleted transactions

Two additional receipt transactions, totaling $1,108, were deleted and the taxes are delinquent in the property tax system. There is no subsequent receipt transaction on the same or a later date indicating the deletion was for one of the routine reasons used by office personnel (see MAR finding number 2.2). One transaction was for personal property taxes and the other for real estate taxes. We requested confirmation of the delinquent amounts from the taxpayers associated with these transactions, but did not receive a response.

Date Paid	Receipt Number	Tax Year	Date Deleted	Amount
02/02/2018	2017006070	2017	02/02/2018	$ 6.40
07/17/2018	2017007687	2016	07/17/2018	1,101.49
Total				$ 1,107.89

Former Deputy Collector deleted transactions

We noted three deleted transactions totaling $948 for the former Deputy Collector's personal property taxes, including her 2016 taxes that were entered and deleted on two separate occasions. We could not determine if any payments occurred with the entry of these receipts or why someone made these transactions.

Date Paid	Receipt Number	Tax Year	Date Deleted	Amount
02/01/2017 (1)	2016006552	2016	02/01/2017	$ 312.12
12/29/2017 (1)	2017004879	2016	12/29/2017	354.14
12/29/2017	2017004879	2017	12/29/2017	281.40
Total				$ 947.66

(1) These deleted transactions are for the same account and tax year. The transaction on December 29, 2017 is larger due to additional accrued interest and penalties.

Conclusion

The lack of segregation of duties, inadequate controls, and the absence of proper oversight as discussed in the remainder of the report, resulted in property tax collections not being properly recorded, deposited, and distributed.

Recommendation

The County Commission and the County Collector work with law enforcement officials regarding criminal prosecution related to the missing monies and take the necessary actions to obtain restitution.

Auditee's Response

The County Commissioners and the County Collector will continue working together with the Missouri State Highway Patrol, Madison County Sheriff's Department, and Madison County Prosecuting Attorney for investigative and legal advice. We will assist with pursuing criminal prosecution of the person whom the MSHP finds responsible.

The Madison County Commission will continue their efforts to pursue all available avenues to recover financial losses to Madison County and to the entities involved.

2. County Collector's Controls and Procedures

Significant weaknesses exist in the County Collector's accounting controls and procedures.

2.1 Segregation of duties

The County Collector has not adequately segregated accounting duties and does not perform a supervisory review of detailed accounting and bank records. All employees receive and record payments received in the property tax system and the partial payment manual receipt slip book and prepare daily deposits. The County Collector does not perform a documented review of accounting and bank records.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. In addition, documented independent reviews of detailed accounting and bank records are essential.

2.2 Deletions and adjustments

The County Collector did not review and approve deleted transactions in the property tax system or periodically obtain a report of deleted transactions from the property tax system vendor to review. The County Collector indicated office staff routinely deleted transactions in the property tax system to change the payment method, tax year, personal property account number, or real estate parcel number on transactions. Office personnel also deleted portions of transactions (e.g., for a specific real estate parcel or personal

property account when the whole transaction included multiple parcels and/or accounts).

As discussed in MAR finding number 1, deleted transactions were not included on daily batch reports to be reconciled to collections, and as a result, there was a risk completed transactions could be improperly deleted and not detected. The system vendor can provide a deleted transaction report that includes the initial transaction, deletion date, and user(s) responsible for the action. However, the County Collector does not have immediate access to these records and did not request these reports until after she began reviewing the payment concern reported by a taxpayer.

In November 2018, after the County Collector determined deleted transactions were used to perpetrate and conceal theft of monies, the County Collector's office began using the adjustment function in the property tax system instead of deleting transactions. The property tax system retains the receipt number for adjustments, includes adjustments on the daily batch report, automatically generates a daily adjustment report, and requires documentation of an explanation for the adjustment when completing the transaction. The County Collector indicated she reviews these reports daily to ensure reasons for adjustments have been sufficiently documented and the adjustments were proper. The County Collector also requested the property tax system vendor remove the ability for her and her staff to delete transactions.

Retaining documentation to support deleted transactions or adjustments helps ensure such transactions are appropriate. In addition, an independent and/or supervisory review and approval of deletions and adjustments is necessary to ensure such transactions are appropriate and reduce the risk of errors, loss, theft, or misuse of funds.

2.3 Numerical sequence of receipt slips

The County Collector does not account for the numerical sequence of receipt slip numbers assigned by the property tax system or manual receipt slips issued for partial payments. The 2 collection stations (cash drawers) share the same sequence of receipt slip numbers. As a result, receipt slip numbers are not in numerical sequence on each station's daily batch report. In addition, due to system limitations, a comprehensive report of all receipt slip numbers cannot be printed. No one in the County Collector's office accounts for the numerical sequence of the receipt slip numbers. This weakness allowed for manipulation of receipts processed through the property tax system to go undetected.

To ensure all monies received are properly recorded and deposited, and to reduce the risk that loss, theft, or misuse of funds, the County Collector should ensure adequate controls are in place to properly account for the numerical

sequence of receipt slip numbers assigned by the property tax system and issued from the manual receipt slip book.

2.4 Liabilities

The County Collector does not prepare monthly lists of liabilities for the office's two bank accounts and consequently, liabilities are not agreed to reconciled bank balances.

The County Collector deposits receipts of current and delinquent property taxes and other miscellaneous receipts into her main bank account. The County Collector maintains a separate partial payment account to collect and hold payments for current and delinquent property taxes until sufficient monies have accumulated to pay tax bills in full.

At our request, the County Collector prepared a list of liabilities for each account. For the main account, identified liabilities totaled $174,585 at February 28, 2019. The reconciled bank balance was $174,625, leaving an unidentified balance of $40. For the partial payment account, identified liabilities totaled $28,927 at March 27, 2019. The reconciled bank balance was $28,927, leaving no unidentified balances.

Monthly lists of liabilities should be prepared and reconciled to the available cash balance to ensure sufficient cash is available for the payment of amounts due and all monies in the bank accounts can be identified. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Various statutory provisions provide for the disposition of unidentified monies.

2.5 Partial payments

The County Collector does not adequately monitor taxpayer balances in the partial payment account. As a result, the County Collector held monies that should have been refunded or applied to tax bills.

The County Collector does not maintain centralized records of partial pay balances. The County Collector records taxpayer partial payment activity on manual receipt slips and in an electronic check register. At our request, the County Collector generated reports of taxpayers with balances in the partial payment account. To accomplish this she had to search the electronic register for each taxpayer's name and total the amounts paid and disbursed. As of March 27, 2019, approximately 116 taxpayers had balances in the account.

The County Collector's list included 13 taxpayers with balances totaling approximately $2,990 that should be refunded. These taxpayers have not made a partial payment since at least July 2018 and no longer owe the county for taxes. In addition, 3 taxpayers had sufficient balances to make a full payment of their taxes due but continued to accrue penalties and interest on delinquent tax bills. One of the 3 taxpayers was charged penalties and interest when the County Collector posted his payment in April 2019. However, full payment of his 2016 real estate taxes could have been made by the due date

(avoiding penalties and interest) if the County Collector had more closely monitored the account. The County Collector indicated taxpayers are supposed to indicate if they want to use their partial payment balance when making a tax payment.

Without regular identification of taxpayer balances and comparison to taxes due, there is less likelihood payments will be promptly applied and refunds will be issued when necessary. If a partial payment account list of liabilities was maintained, the County Collector could also use this information to monitor taxpayer partial payment balances.

Recommendations

The County Collector:

2.1 Segregate accounting duties to the extent possible or ensure independent or supervisory reviews of detailed accounting and bank records are performed and documented.

2.2 Require an independent and/or supervisory review and approval of all deleted transactions and adjustments made in the property tax system.

2.3 Implement procedures to account for the numerical sequence of receipt slip numbers.

2.4 Prepare monthly lists of liabilities and reconcile the list to the available cash balance. Any differences should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.

2.5 Monitor partial payment account balances to determine if taxpayer balances are sufficient to apply to taxes due. Also, the County Collector should timely process refunds when necessary.

Auditee's Response

2.1 I have established procedures for supervisory reviews in my office. I review the Deputy Collector's work and she reviews my work. In addition, on a weekly basis the County Commission reviews the daily reports from the property tax system, and also reviews the monthly distribution report.

2.2 The County Collector's office no longer has the ability to delete any transactions and all corrections are done through adjustments. When adjustments occur, a report is generated from the property tax system to provide a reason for the adjustment, how much the adjustment was for, and who made the adjustment. The adjustments are reviewed and approved by the County Collector and the County Commission.

2.3 The numerical sequences should be uninterrupted as the deletion capability no longer exists and, when an adjustment is made, the numerical sequence stays intact. The County Collector and Deputy Collector review the numerical sequences daily.

2.4 I will continue to reconcile monthly bank statements and prepare a report with all liabilities identified for comparison. Any bank interest and over plus monies will be identified as such and distributed in a timely manner.

2.5 I have already put new measures in place to track the current balance of each customer. Inactive customers have been refunded and some monies have been turned over to the Missouri State Treasurer.

3. Electronic Data Security

Controls over the County Collector's office computers are not sufficient to prevent unauthorized access. As a result, county records are not adequately protected and are susceptible to unauthorized access.

3.1 User identification and passwords

Employees in the County Collector's office shared user identifications and passwords for the property tax system. Employees share computers in the office and do not log off and log back on with their unique user identification and password when using the property tax system at one of the shared computers. As a result, there was no assurance that the user listed in the system for posting or deleting a transaction was the person who did it. Also, employees are not required to change passwords periodically and passwords are not required to have a minimum number of characters. The County Collector required all employees to change their passwords in November 2018 at the request of the Prosecuting Attorney and now requires each employee to use his/her own unique user identification and password when posting transactions to the tax system.

Unique user identifications and passwords are necessary to identify activity performed by each individual. While user identifications and passwords are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Allowing certain users to share logon credentials increases the risk of unauthorized access and/or changes to the system and records and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should be confidential, contain a minimum number of characters, and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

3.2 Security controls

The County Collector has not established adequate security controls to lock computers or the property tax system after a specified number of incorrect logon attempts.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data including confidential data and sensitive resources.

3.3 Data backup

The County Collector does not store backup files at an off-site location. In addition, backup files are not periodically tested. Failure to store computer backup data at a secure off-site location results in the data being susceptible to the same damage as the data on the computer.

To help prevent loss of information and ensure essential information and computer systems can be recovered, backup data should be stored at a secure off-site location and tested on a regular basis.

Recommendations

The County Collector:

3.1 Require unique user identifications and passwords for each employee and require passwords contain a minimum number of characters and be changed periodically.

3.2 Require the property tax system and each computer to have security controls in place to lock after a specified number of unsuccessful logon attempts.

3.3 Ensure backup data is stored in a secure off-site location and tested on a regular basis.

Auditee's Response

3.1 All employees must have unique user identifications and passwords and receive reminders to change their passwords at least every three months. We have also established a minimum character requirement for passwords.

3.2 On June 10, 2019, our information technology (IT) vendors enabled controls on the office's computers to lock a computer after 5 incorrect logon attempts. Computers now lock after inactivity for three minutes.

3.3 Computer data is being backed up by our IT vendor on a secure off-site server. The vendor will send me reports to verify the backup dates and times. The County Collector and IT vendor will ensure the data is being backed up and the backup is tested.

4. Review of Activity

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax charges. In addition, the County Clerk and County Commission do not perform adequate procedures to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Recommendation

The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Auditee's Response

The County Commission will review the activities of the County Collector on a more frequent basis. Deposit sheets along with collection sheets will be reviewed. The County Commission will also review the amounts on the annual settlement before it is approved and submitted to the State Tax Commission. The County Clerk has corrected the error in failing to track the beginning and current balance of property taxes owed.

Appendix

Madison County Collector and Property Tax System
Supporting Documentation - Deleted Transactions Confirmed Missing

Date Paid	Receipt Number (1)	Tax Type	Tax Year	Method of Payment	Date Deleted	Amount Not Deposited
9/28/2017	2017000028	Personal Property	2016	Cash	9/28/2017	$ 268.29
11/6/2017	2017000348	Personal Property	2017	Cash	11/6/2017	477.76
11/7/2017	2017000387	Personal Property	2017	Did Not Provide	11/7/2017	128.21
11/8/2017	2017000438	Real Estate	2017	Cash	11/8/2017	322.01
11/9/2017	2017000823	Real Estate	2017	Cash	11/13/2017	141.24
11/9/2017	2017000823	Personal Property	2017	Cash	11/13/2017	15.62
11/13/2017	2017000871	Personal Property	2017	Cash	11/13/2017	371.68
11/13/2017	2017000871	Real Estate	2017	Cash	11/13/2017	574.00
11/15/2017	2017001280	Personal Property	2017	Cash	11/15/2017	302.28
11/20/2017	2017001610	Personal Property	2017	Cash	11/20/2017	493.44
11/20/2017	2017001579	Personal Property	2017	Cash	11/20/2017	423.73
11/27/2017	2017001741	Real Estate	2017	Did Not Provide	11/27/2017	286.72
11/28/2017	2017001898	Personal Property	2017	Cash	11/28/2017	1,039.48
11/28/2017	2017001898	Personal Property	2017	Cash	11/28/2017	43.61
12/5/2017	2017002302	Real Estate	2017	Cash	12/5/2017	1,280.17
12/5/2017	2017002302	Real Estate	2017	Cash	12/5/2017	382.35
12/5/2017	2017002302	Real Estate	2017	Cash	12/5/2017	16.92
12/5/2017	2017002302	Personal Property	2017	Cash	12/5/2017	158.47
12/11/2017	2017002783	Personal Property	2017	Cash	12/11/2017	247.01
12/13/2017	2017003049	Real Estate	2017	Cash	12/13/2017	179.90
12/13/2017	2017003049	Real Estate	2017	Cash	12/13/2017	73.31
12/13/2017	2017003049	Real Estate	2017	Cash	12/13/2017	121.81
12/13/2017	2017003049	Real Estate	2017	Cash	12/13/2017	27.07
12/13/2017	2017003049	Real Estate	2017	Cash	12/13/2017	17.47
12/19/2017	2017003530	Real Estate	2017	Cash	12/19/2017	1,920.76
12/19/2017	2017003530	Real Estate	2017	Cash	12/19/2017	302.58
12/26/2017	2017004277	Real Estate	2017	Cash	12/27/2017	6.78
12/26/2017	2017004277	Real Estate	2017	Cash	12/27/2017	278.60
12/26/2017	2017004277	Real Estate	2017	Cash	12/27/2017	406.97
12/26/2017	2017004277	Personal Property	2017	Cash	12/27/2017	174.08
1/9/2018	2017005742	Personal Property	2017	Cash	1/10/2018	498.71
1/24/2018	2017005905	Personal Property	2017	Cash	1/25/2018	214.44
1/25/2018	2017005917	Personal Property	2016	Cash	1/25/2018	121.03
1/25/2018	2017005917	Personal Property	2017	Cash	1/25/2018	83.22
2/22/2018	2017006346	Personal Property	2017	Cash	2/22/2018	406.59
3/29/2018	2017006952	Personal Property	2017	Cash	3/29/2018	227.40
4/3/2018	2017006999	Personal Property	2017	Cash	4/3/2018	541.72
4/16/2018	2017007111	Personal Property	2017	Cash	4/16/2018	423.73
5/4/2018	2017007264	Personal Property	2017	Cash	5/4/2018	158.43
5/9/2018	2017007294	Personal Property	2017	Cash	5/9/2018	105.36
						$ 13,262.95

(1) Receipt numbers may be duplicated because more than one personal property or real estate tax bill may be included on a paid tax receipt.

Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Greenville

Report No. 2019-049

July 2019

auditor.mo.gov

City of Greenville
Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Greenville, Missouri

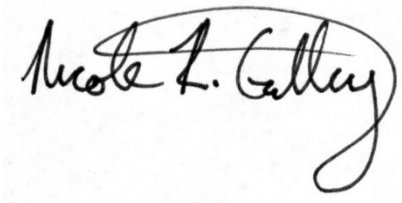
We have conducted follow-up work on audit report findings contained in Report No. 2018-120, *City of Greenville* (rated as Poor), issued in November 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussions with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financials records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during April 2019.



Nicole R. Galloway, CPA
State Auditor

City of Greenville
Follow-Up Report on Audit Findings
Status of Findings

1. Improper Payments and Missing Monies

The audit identified approximately $161,000 in improper payments and undeposited monies. The former City Clerk also falsified disbursement listings presented to the Board of Aldermen to conceal improper disbursements.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of the improper payments, inappropriately negotiated city checks, the falsified records, and the undeposited receipts, and take the necessary actions to seek restitution.

Status

Implemented

In July 2018, the Attorney General's Office filed felony criminal charges of receiving stolen property and forgery against the former City Clerk and the case is ongoing as of June 2019.

2. Oversight, Annual Audits, and Bond Coverage

The Board had not established adequate oversight of the former City Clerk, obtained annual audits as required by state law, or obtained bond coverage for applicable officials and employees.

2.1 Oversight and segregation of duties

The Board had not established adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the former City Clerk. In addition, 239 checks issued to the former City Clerk and the majority of city checks issued were only signed by the City Clerk.

Recommendation

The Board of Aldermen segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should require dual signatures on all checks.

Status

Implemented

The City Clerk indicated the Mayor and a Board member independently and periodically review the check registers and bank statements of city accounts; however, their review was not documented on the December 2018 bank statements we reviewed. The City Clerk indicated that a Board member is now documenting his/her review of bank statements. A monthly report of all transactions, including a list of bills due and paid, is provided to the Board for their review and approval, and the list is retained with monthly meeting minutes. The City Clerk indicated the Mayor or a Board member compares the list of bills to checks written, but she said their review is not documented. The City Clerk also indicated invoices are available at meetings for the Board's review when they are signing checks. The City Clerk indicated checks are required to be signed by 2 Board members. Our review of the December 2018 canceled checks showed that 2 Board members signed all checks.

2.2 Annual audits

The city had not obtained annual audits as required by state law.

Recommendation

The Board of Aldermen obtain annual audits of the waterworks and sewerage system as required by state law.

Status

In Progress

The city has selected an independent auditor to complete an audit of the waterworks and sewerage system for the year ended June 30, 2018.

2.3 Bonding

The city did not have bond coverage for city employees or officials. The former City Clerk, the Mayor, and Board members, who signed checks and had access to monies held in bank accounts, were not covered by a bond.

Recommendation

The Board of Aldermen maintain bond coverage for all personnel with access to city monies.

Status

Implemented

The city has obtained bond coverage for all personnel with access to city monies.

3. Accounting Controls and Procedures and Disbursements

Significant weaknesses existed in the city's accounting controls and procedures.

3.1 Receipting, recording, and depositing

The city's procedures for receipting, recording, and depositing monies were poor.

- The former City Clerk did not always issue manual receipt slips for monies received.
- Some manual receipt books were missing.
- The former City Clerk did not always timely record utility payments in the computerized utility system.
- The former City Clerk did not consistently indicate the method of payment, or reconcile the method of payment to the composition of receipts recorded in the computerized utility system or to the deposit.
- The former City Clerk did not deposit receipts timely or intact.

Recommendation

The Board of Aldermen require issuance of receipt slips for all monies received with the method of payment indicated and reconciliation of the composition of receipts to the composition of amounts recorded and

deposited. The Board should also ensure receipt slips are retained and monies received are deposited timely and intact.

Status

Partially Implemented

We reviewed financial activity for December 2018, and while city officials retained receipt records, they have not taken sufficient steps to fully implement the other recommendations. Receipt slips were not issued for some hall rental and dog pound fees collected and some utility payments received in December 2018 were not posted to the utility system timely with 2 of these payments not posted as of March 2019. While the City Clerk recorded the method of payment received on receipt records, the composition of receipts did not always agree to the composition recorded in the computerized utility system. The City Clerk did not retain the utility report or calculator tape of monies deposited in December 2018, and therefore could not demonstrate the composition of receipts agreed to the composition of the deposits or that receipts were deposited intact. The City Clerk indicated she is now retaining the utility report and documentation of the deposit. Some receipts collected during the month of December 2018 were not deposited timely. The 3 deposits made during that month ranged from $2,114 to $5,146.

3.2 Bank accounts, reconciliations, and fees

Controls and procedures over bank accounts and reconciliations needed improvement. The city maintained an excessive number of bank accounts, resulting in cumbersome record keeping. The Board and the former City Clerk failed to monitor the city's cash balances and incurred overdraft and minimum balance bank fees.

Recommendation

The Board of Aldermen evaluate the number of bank accounts. The Board should also properly monitor bank account balances to avoid bank fees.

Status

Implemented

The Board reduced the number of bank accounts from 18 to 7 accounts. The City Clerk said the city did not incur any overdraft or minimum balance fees from August 2018 through December 2018.

3.3 Excessive and unauthorized transfers and commingling of restricted funds

The former City Clerk made excessive and unauthorized transfers between various bank accounts, and did not always deposit utility receipts into the proper bank account, which led to commingling of restricted funds.

Recommendation

The Board of Aldermen monitor and reduce the number of transfers made between bank accounts and ensure monies received are deposited in the appropriate bank accounts.

Status

Implemented

We reviewed the December 2018 bank statements and financial activity and noted the Board had reduced the number of transfers made between accounts to only those necessary and appropriate. There was no indication of unauthorized small dollar transfers still occurring as identified during the audit. Utility receipts were deposited in the appropriate bank accounts during December 2018.

3.4 Utility deposits

Refundable utility deposits held in the water bank account were not accounted for properly. The water bank account balance as of April 30, 2016, was not sufficient to cover the amount of utility deposits held.

Recommendation

The Board of Aldermen account for customer utility deposits previously paid, prepare an accurate list of utility deposits and reconcile to monies in the water bank account monthly, and resolve any discrepancies.

Status

Not Implemented

Refundable utility deposits are still held in the water bank account. The City Clerk has not accounted for customer utility deposits paid prior to March 2016 or resolved the shortage identified in the audit. The City Clerk only has a list of utility deposits paid since April 2016, that also includes a utility deposit paid in March 2016, and there is no process to reconcile the list of utility deposits to monies in the water bank account monthly.

3.5 Licenses and rental fees

Prenumbered forms were not used for merchant and liquor licenses and gathering hall and festival booth rental fees, and records were not retained to account for the collection and deposit of these fees.

Recommendation

The Board of Aldermen require prenumbered forms for licenses and rentals, properly account for the numerical sequence of the forms, and reconcile the related monies collected to deposits.

Status

Not Implemented

Prenumbered forms for merchant and liquor licenses and gathering hall and festival booth rental fees are not used, and the City Clerk does not reconcile the related monies collected to deposits.

3.6 Record retention

Various financial and personnel records were not maintained. Some records were recovered by city officials from a city dumpster shortly after the termination of the former City Clerk.

Recommendation

The Board of Aldermen retain records in accordance with state law.

Status

Implemented

The City Clerk indicated city records are now being retained in accordance with state law.

4. Payroll Policies, Records, and Taxes

Significant improvement regarding personnel policies, employee records, and remitting payroll taxes was needed.

4.1 Personnel policies and files

The city had not established personnel policies addressing overtime, holidays, vacation and sick leave, employee benefits, uniform allowances, and hours of work, and a personnel file was not retained for the former City Clerk.

Recommendation

The Board of Aldermen adopt detailed personnel policies addressing requirements of employees and benefits provided, and maintain personnel files for all city employees.

Status

In Progress

In January 2019 the Board adopted an Employee Handbook that addresses overtime and holidays; however it does not address vacation and sick leave, or hours of work. The City Clerk indicated the Board plans to discuss revising the Employee Handbook at its July 2019 meeting to include these items. The City Clerk indicated the handbook does not address uniform allowances because the Board discontinued this benefit. The City Clerk indicated personnel files are now maintained for all employees.

4.2 Payroll taxes and unreported compensation

The former City Clerk did not timely file and remit various payroll taxes, and concealed some of these untimely filings and payments by falsifying disbursement listings provided to the Board. Overpayments and improper payments were not included on the former City Clerk's W-2 forms and not subject to payroll tax withholdings.

Recommendation

The Board of Aldermen establish procedures to ensure all compensation is properly reported and payroll taxes are properly withheld and remitted to the appropriate taxing entities timely. In addition, the former City Clerk's W-2 forms should be amended as appropriate.

Status

In Progress

We reviewed payroll records for December 2018 and determined compensation was properly reported and payroll taxes were properly withheld and timely remitted to the appropriate taxing entities. The City Clerk indicated the Board plans to amend the former City Clerk's W-2 forms once the criminal case is concluded.

5. Municipal Division

We identified significant weaknesses with accounting controls and procedures of the municipal division. The former City Clerk also served as the Court Clerk until her termination.

5.1 Missing records

Several case files could not be located by the municipal division and some manual receipt books were not retained. However, some case files contained copies of manual receipt slips issued from the missing receipt books.

Recommendation

The City of Greenville Municipal Division ensure necessary records are retained.

Status

Implemented

The Board indicated the court functions were limited in 2018 and tickets are now only issued for ordinance violations and as a result, there is very little municipal division activity. The City/Court Clerk indicated only one ticket was issued during 2018, and we noted the case file and related receipt slip were retained for this ticket.

5.2 Oversight

Neither the municipal division nor city personnel performed adequate supervisory or independent reviews of accounting functions and records. In addition, the former Municipal Judge did not approve the final disposition of cases brought before the court or the fines handled through the Violations Bureau (VB), and the Municipal Judge's approval of amended and dismissed tickets was not documented.

Recommendation

The City of Greenville Municipal Division ensure documented periodic independent or supervisory reviews of municipal division records is performed, and ensure the Municipal Judge approves the final disposition of all cases and reviews and approves all amended and dismissed tickets.

Status

Not Implemented

For the only ticket issued during 2018, there was no documentation that the Municipal Judge approved the final disposition of the case.

5.3 Receipting, recording, and depositing

The municipal division's procedures for receipting, recording, and depositing were poor.

- The former Court Clerk did not always issue manual receipt slips for monies received and did not always record the method of payment on receipt slips issued.
- The former Court Clerk recorded payments to multiple different records and did not ensure payments were consistently and properly recorded to all appropriate records.

- The former Court Clerk did not deposit receipts timely or intact.

Recommendation

The City of Greenville Municipal Division properly receipt, record, and deposit all monies received.

Status

Implemented

For the only ticket issued during 2018, the Municipal Division issued a receipt slip on March 12, 2018, for $80, properly recorded the receipt in the case file, and deposited the monies the next day.

5.4 Disbursement and reporting

The former Court Clerk did not disburse fines and court costs timely. In addition, the former Court Clerk did not submit monthly caseload summary reports to the city or monthly reports of court activity to the Office of the State Courts Administrator (OSCA) during the period July 1, 2014, through April 14, 2016.

Recommendation

The City of Greenville Municipal Division ensure court fees are disbursed within 30 days of receipt and monthly reports are submitted timely to the city and OSCA.

Status

Partially Implemented

The court collected $80 in March 2018 and disbursed $30 in April and May 2018 related to the ticket issued during 2018; however, the remaining $50 has not been disbursed. In addition, the Municipal Division bank account had a cash balance of $1,151 from May 2018 to December 2018 (including the $50), that has not been disbursed. The court submitted the December 2018 monthly Municipal Division Summary Reporting to OSCA timely. The city also received a copy of that report.

5.5 Violation Bureau schedule

The former Municipal Judge had not issued a court order for the schedule of fines and court costs to be collected on tickets paid through the VB, and if a schedule of fines and court costs was used by the former Court Clerk to assess court costs and fines during the period July 1, 2014, through April 14, 2016, it could not be located at the VB.

Recommendation

The City of Greenville Municipal Division establish the VB schedule by court order and prominently post the schedule.

Status

Implemented

The City Clerk indicated the Municipal Division established a VB schedule by court order that is prominently posted at City Hall.

6. Electronic Data Security

The city had not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. In addition, city personnel did not regularly back up data or periodically test backup data to ensure essential data could be restored, and did not always store backup data at a secure off-site location.

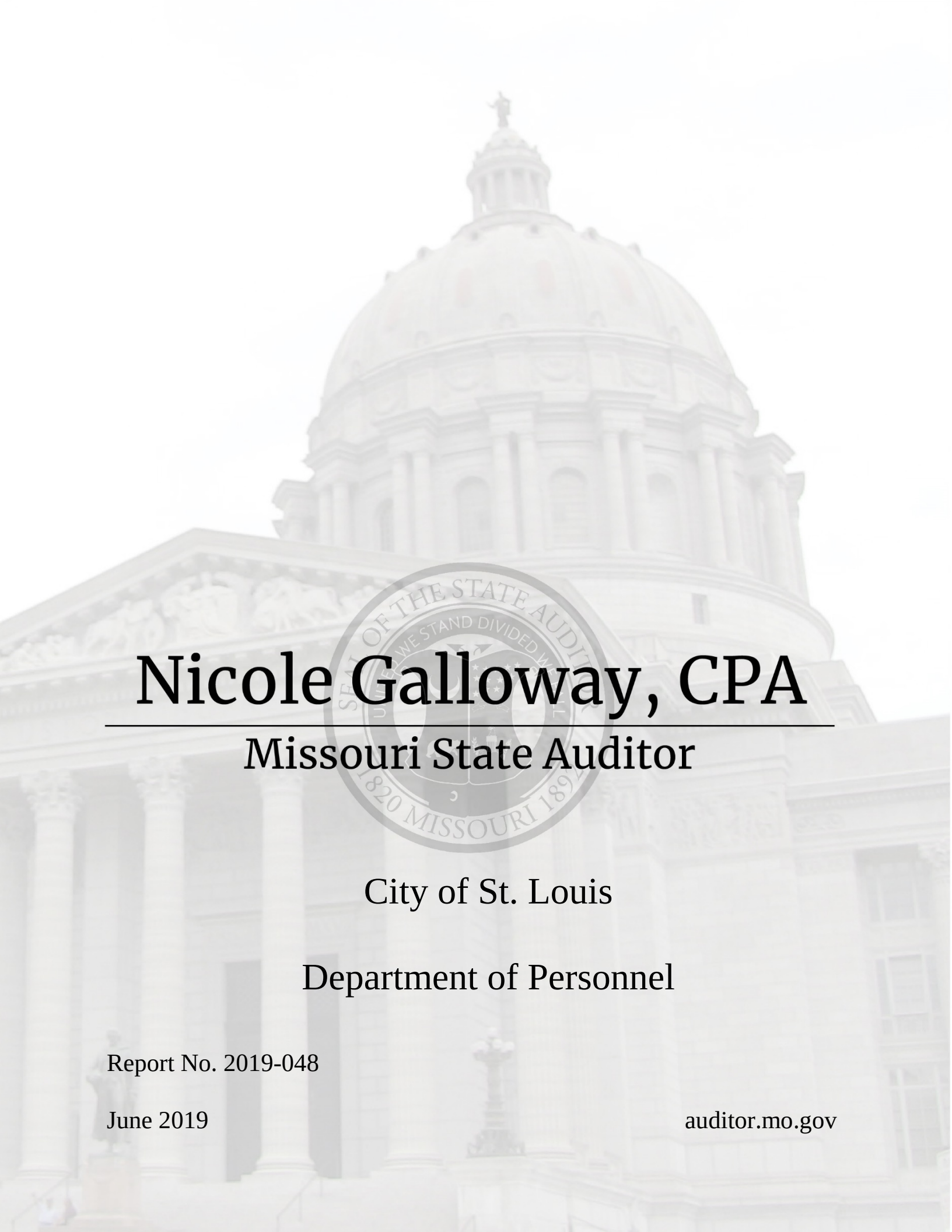
Recommendation

The Board of Aldermen develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require data to be backed up regularly, tested on a periodic basis, and stored in a secure off-site location.

Status

Partially Implemented

A formal, written contingency plan has not been developed. The City Clerk indicated data is regularly backed up, but recovery of that data is not periodically tested; however, she has been able to restore data to the city's computer system from the backup files. The backup data is still not stored at an off-site location.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Department of Personnel

Report No. 2019-048

June 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of St. Louis - Department of Personnel

Background

The City of St. Louis Department of Personnel is responsible for providing all human resource management functions for the city's civil service employees. The City of St. Louis employs approximately 5,600 full-time employees and 300 part-time and per performance employees.

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Department of Personnel
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of Personnel
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Department of Personnel in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2018. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.

2. Evaluate the department's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

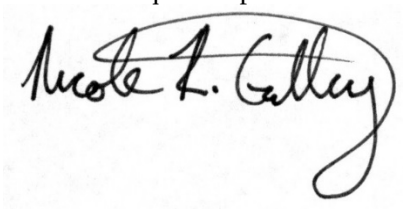
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the City of St. Louis Department of Personnel.

Additional audits of various officials and departments of the City of St. Louis are still in process, and any additional findings and recommendations will be included in subsequent reports.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Chris Vetter, CPA, CGAP
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Dacia Rush, M.Acct., CIA, CFE, CGAP

City of St. Louis - Department of Personnel
Organization and Statistical Information

The City of St. Louis Department of Personnel is responsible for providing all human resource management functions for the city's civil service employees. The City of St. Louis employs approximately 5,600 full-time employees and 300 part-time and per performance employees. The Director of Personnel is Richard Frank. The director's office coordinates the work of the following nine sections:

1. Classification and Compensation

   This section has two primary responsibilities - the classification of approximately 5,600 civil service positions in the city and the preparation and administration of the city's compensation ordinance.

2. Training and Organizational Development

   This section offers training programs on general supervision, ethics, code of conduct, new employee training, safety, etc. In addition, the section oversees any outside training needed for city employees.

3. Employee Relations

   This section coordinates and conducts hearings for employee and management service rating appeals, investigates internal Equal Employment Opportunity complaints, and is responsible for the review of employee grievances. The section oversees the Drug and Alcohol Testing Program, Employee Assistance Program, and the Family and Medical Leave Act (FMLA) program. These responsibilities include issuing and enforcing administrative regulations, providing supervisory and management training, bidding and administering service contracts, day-to-day operation and oversight of substance abuse testing, and final review of all FMLA leave requests.

4. Police

   This section provides support to the Police Division of the Department of Public Safety including handling examinations for the division and the preparing and processing of documentation pertaining to payroll and personnel changes. The section is also responsible for maintaining the internal personnel files for employees of the Police Division and for posting internal transfer requests for commissioned officer positions.

5. Recruitment and Examination

This section fulfills a variety of staffing functions for all departments and agencies regarding the city's merit system. These functions include a broad range of recruitment activities, examination development and administration, and creation of eligible candidate lists. The department by charter is required to follow traditional merit system procedures for filling positions.

6. Personnel Services

This section maintains the official personnel records of all civil service city workers, oversees and processes payroll forms and records all personnel transactions. The section receives personnel requisitions from city departments when they need to fill a vacant position. The section maintains lists of eligible candidates for city jobs and certifies those eligible to appointing authorities for selection. In addition, the section insures that service ratings are completed and recorded for each city worker.

7. Employee Benefits

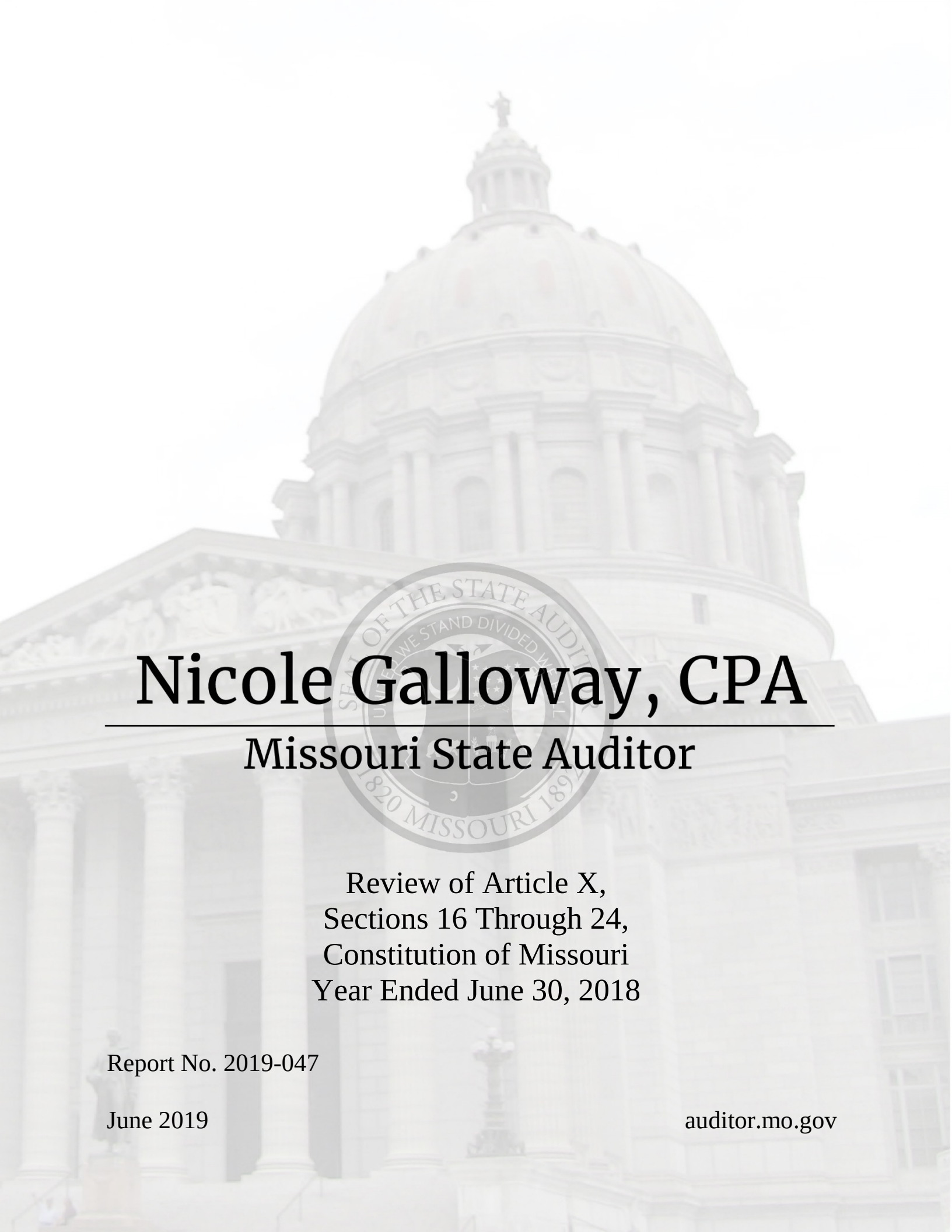
This section administers the city's health care insurance plans and other optional benefits including insurance (life, dental, and accidental death) and pre-paid legal services for all civil service and non-merit offices.

8. Employee Retirement System

This section administers the city's retirement plan for all civil service and non-merit offices.

9. Firemen's Retirement Plan

This section administers the city's Firemen's Retirement System for fire department personnel.



Nicole Galloway, CPA

Missouri State Auditor

Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2018

Report No. 2019-047

June 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Conclusions in the review of Article X, Sections 16 through 24

Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment places restrictions on the amount of personal income used to fund state government, and the amount by which fees and taxes can be increased. Mathematical formulas are used by the Office of Administration, Division of Budget and Planning (OA-BP) to determine the relevant threshold amounts each year.

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Section 18(e) requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the OA-BP, the relevant annual revenue limit for fiscal year 2018 was $102.9 million.

Fiscal Year 2018 Conclusions

For the year ended June 30, 2018, total state revenue was approximately $3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. This revenue limit has not been exceeded since the year ended June 30, 1999.

In addition, the OA-BP determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of at least $41.3 million. The projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected. Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Because of the nature of this review, no rating is provided.

Review of Article X, Sections 16 Through 24, Constitution of Missouri
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Appendix

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2018, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We previously reported on revenues of the state for the years ended June 30, 1982 through 2017. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formulas to calculate the state's revenue limits.

2. Determine the specific items included in total state revenue.

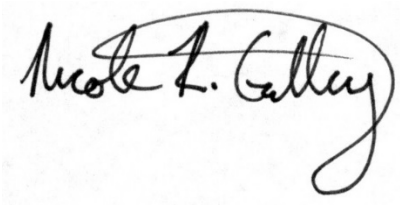
3. Verify the accuracy of the revenue limit computations and compare the limits to total state revenue and projected tax and fee increases from legislative actions.

4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system.

The Executive Summary and the Background, Methodology, and Conclusions present our comments and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
Audit Staff:	Jeffrey Roberts, CISA, CFE
	Kristin A. Clink, MBA

Executive Summary

The amendment, commonly referred to as the Hancock Amendment, limits annual state revenues, and tax and fee increases.

Total State Revenue (TSR) Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

For the year ended June 30, 2018, total state revenue (TSR) was approximately $3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. This revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years, the amount of TSR under the refund threshold has ranged from $3.9 billion to $4.2 billion.

Tax and fee increases Section 18(e)

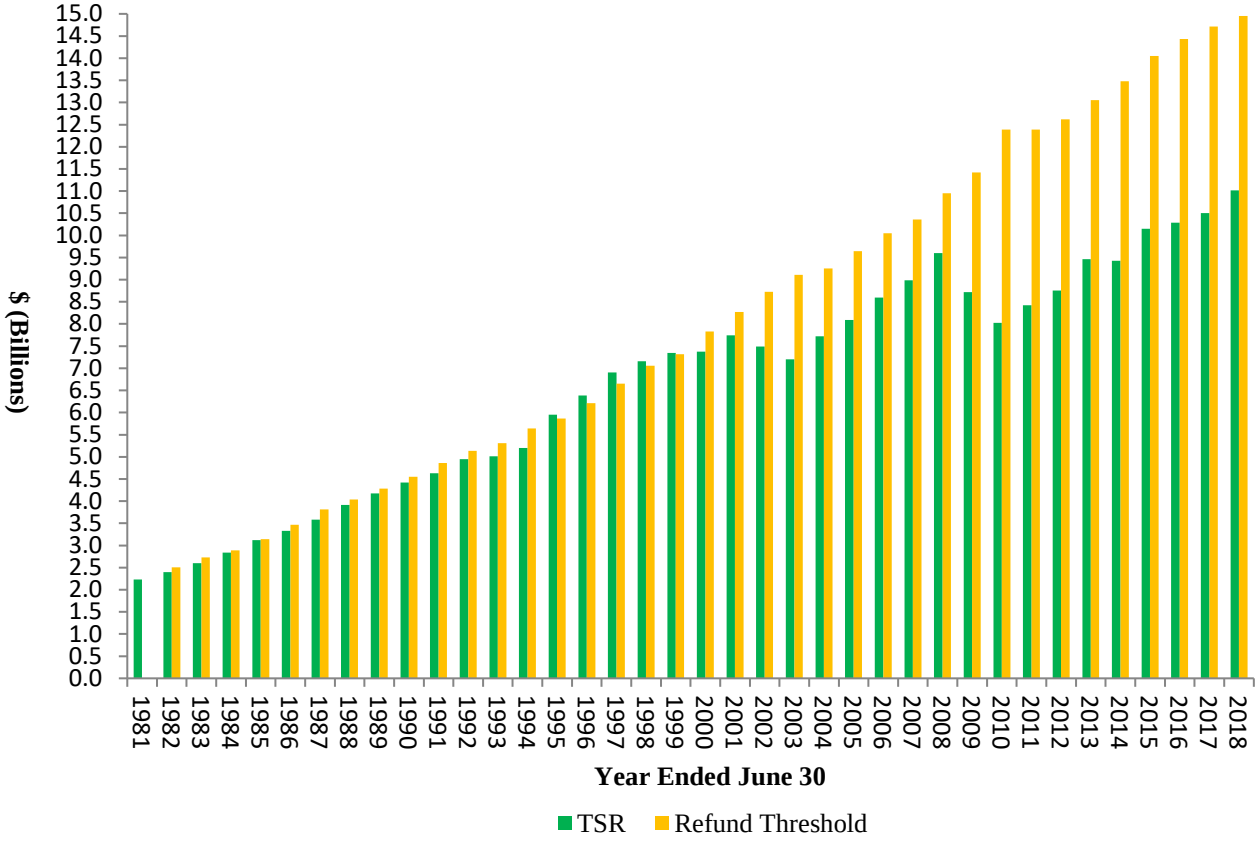
Section 18(e) of the Hancock Amendment states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than $50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2018, the Office of Administration, Division of Budget and Planning (OA-BP) determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of at least $41.3 million. The projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit is determined by measuring the aggregate actual new annual revenues produced in the first fiscal year each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

A bar graph of TSR compared to the refund threshold follows:

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
GRAPH OF TOTAL STATE REVENUE VERSUS REFUND THRESHOLD



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5, which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment is commonly referred to as the Hancock Amendment.

This review addresses the components of the amendment that relate to state revenues, primarily the requirements outlined in Section 18(a-d) which limit annual state revenues and Section 18(e) which limits tax and fee increases.

Total State Revenue Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires annual total state revenue limits. The amendment limits the amount of personal income that may be used to fund state government to no greater than the portion used to do so in 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

The Office of Administration, Division of Budget and Planning (OA-BP) calculates annual total state revenue (TSR), revenue limits, refund thresholds, and refund amounts.

Calculation

The following table summarizes the calculated TSR, revenue limits, refund thresholds, and refund calculations for the 5 years ended June 30, 2018.

		Year Ended June 30,				
		2014	2015	2016	2017	2018
		(in millions)				
TOTAL STATE REVENUE (TSR)						
Total revenues	$	24,616.14	25,845.98	26,737.22	27,249.91	28,525.80
Less excluded revenue		(13,878.69)	(14,442.15)	(15,019.33)	(15,326.03)	(16,087.60)
Less expenditure refunds		(1,328.25)	(1,278.49)	(1,459.78)	(1,474.61)	(1,480.78)
Add refundable tax credits		19.19	24.22	29.83	53.62	56.15
TSR	$	9,428.39	10,149.56	10,287.94	10,502.89	11,013.57
Missouri personal income (MPI)	$	235,661.00	245,771.39	252,482.44	257,338.33	261,547.77
Base year ratio (BYR)	x	0.056395	0.056395	0.056395	0.056395	0.056395
Base limit		13,290.10	13,860.28	14,238.75	14,512.60	14,749.99
Judicial article amendment		51.86	52.42	52.70	53.75	55.90
Revenue limit		13,341.96	13,912.70	14,291.45	14,566.35	14,805.89
1 percent adjustment		133.42	139.13	142.91	145.66	148.05
Refund threshold	$	13,475.38	14,051.83	14,434.36	14,712.01	14,953.94
TSR	$	9,428.39	10,149.56	10,287.94	10,502.89	11,013.57
Less refund threshold		13,475.38	14,051.83	14,434.36	14,712.01	14,953.94
Over (under) threshold		(4,046.99)	(3,902.27)	(4,146.42)	(4,209.12)	(3,940.37)
1 percent adjustment		0.00	0.00	0.00	0.00	0.00
Refund	$	0.00	0.00	0.00	0.00	0.00

The calculation shows for the year ended June 30, 2018, TSR was approximately $3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. This revenue limit has not been exceeded since the year ended June 30, 1999.

Revenue limit formula

The OA-BP calculated the 1981 base year ratio of personal income to TSR as 5.6 percent, and uses this ratio to calculate the annual revenue limit.

Section 18(a) establishes the revenue limit formula as follows:

Revenue limit for fiscal year (FY) 20XX	=	Total state revenue (TSR) in FY 1981 / CY 1979 Missouri personal income (MPI)	x	The greater of MPI in the calendar year (CY) prior to the CY in which appropriations are made for FY 20XX or Average MPI for 3 CYs preceding FY 20XX.

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) sets the revenue limit to ensure no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment.

The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC). The OA-BP uses the MPI first officially published by the DOC after the close of the calendar year to calculate the revenue limit for the applicable fiscal year. The OA-BP does not adjust the MPI used in the BYR or the second part of the formula for subsequent adjustments to the MPI by the DOC. Section 17(2) refers to ". . . total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests the revenue limit should be recalculated each time the MPI is adjusted by the DOC. For example, the BYR would be adjusted whenever the CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI provides at least two benefits. First, by having a consistent and unchanging BYR, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable if it is followed consistently.

The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

$$\frac{\$2{,}232.204096}{\$\ 39{,}581.0} = .05639584891$$

In its calculations of the revenue limit, the OA-BP rounded the BYR to .056395. To determine the revenue limit for the fiscal year, this amount is multiplied by the MPI in the calendar year preceding the calendar year in which appropriations were made for the fiscal year or the average MPI for the 3 calendar years preceding the fiscal year. For the fiscal year 2018 revenue limit calculation, the OA-BP used the CY 2016 MPI which was greater than the average MPI for the preceding 3 calendar years.

Adjustments

Section 18(d) provides the revenue limit may be adjusted, "[i]f responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, effective on July 1, 1981. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that this adjustment to the revenue limit is appropriate.

Refund threshold

Section 18(b) allows the state to exceed the revenue limit by less than 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

TSR

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not included in TSR. These funds include university local funds; local sales and

use tax fund collections made by the Department of Revenue; various funds held in trust for inmates, patients, etc.; and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and not appropriated. Thus, it is reasonable to conclude these funds should not be included in TSR.

From the revenue amounts obtained from SAM II, 7 funds are entirely excluded and 26 types of revenues are excluded to arrive at TSR, as defined in Section 17(1). These excluded funds and revenue types, and other exclusions and limits considered to arrive at TSR are described at Appendix C. A detailed schedule of SAM II revenue, adjustments for excluded funds and revenue types and other exclusions and limits, and resulting TSR for the 5 years ended June 30, 2018, is shown at Appendix A.

Tax and Fee Increases Section 18(e)

A 1996 amendment added Section 18(e) to the Hancock Amendment, which imposes an additional revenue limit on tax and fee increases.

Section 18(e) states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than $50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less. Sections 18(e) and 23 provide any taxpayer can bring suit in a court of law to enforce the provisions of the Hancock Amendment.

The OA-BP calculates the limits and monitors new legislation for tax and fee increases and decreases for each legislative session.

Calculation

The following table summarizes the OA-BP's annual projected net increases/decreases from legislative actions based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, calculated revenue limits, and projected amounts over/under revenue limits for the 5 years ended June 30, 2018.

	Year Ended June 30,				
	2014	2015	2016	2017	2018
LEGISLATIVE ACTIONS*					
Net tax and fee increases/decreases	$ At least (619,541,539)	(20,823,150)	Up to 127,712,253	2,272,090	At least (41,321,078)
REVENUE LIMIT					
By MPI growth	$ 110,160,390	115,701,458	117,529,541	120,291,485	123,479,209
By 1 percent of TSR	$ 87,556,705	94,623,204	94,283,895	101,495,508	102,879,357
Revenue limit (lesser amount)	$ 87,556,705	94,623,204	94,283,895	101,495,508	102,879,357
DIFFERENCE					
Over (under) limit	$ N/A	N/A	Up to 33,428,358	(99,223,418)	N/A

* Legislative action amounts do not include bills for which Section 18(e) fiscal impact could not be projected.
N/A For fiscal years 2014, 2015, and 2018, the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2018, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of at least $41.3 million. As noted in the Legislative actions section, the projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected.[1] As noted in the Compliance section, actual compliance can be determined after each bill is fully effective. The 2016 legislative session was the only year the limit has been projected to be exceeded.

Revenue limit formula

Section 18(e) establishes the revenue limit as the lesser of (1) $50 million adjusted annually by the percentage change in MPI for the second previous year, or (2) 1 percent of TSR for the second fiscal year prior to the legislative session.

For fiscal year 2018, the OA-BP calculated the MPI growth limit at $123.5 million by multiplying the fiscal year 2017 MPI growth limit ($120.3 million) by the percentage change in the MPI for fiscal year 2016 (2.65%). The OA-BP calculated the TSR limit at $102.9 million by multiplying the fiscal year 2016 TSR ($10.29 billion) by 1 percent. The revenue limit was established at the lessor of these amounts, or the TSR limit of $102.9 million.

Legislative actions

After each legislative session, OA-BP personnel prepare a spreadsheet to quantify the potential fiscal impact of tax and fee increases and decreases from legislation enacted during the session. In accordance with Section 18(e),

[1] OA-BP indicated the estimated fiscal impact of Senate Bill 882 was unknown but also noted the decrease of tax revenue was "possibly substantial."

the OA-BP includes each House Bill and Senate Bill truly agreed and finally passed during the session, except bills vetoed by the governor and not overridden by the general assembly, and the estimated fiscal impact amount.

The OA-BP determines estimated Section 18(e) fiscal impact amounts by compiling information and amounts in fiscal notes for each bill. The fiscal notes are prepared by the Oversight Division with input from state agencies and local political subdivisions. In accordance with Section 18(e), the OA-BP compiles an amount for the first fiscal year the bill is fully effective. For most bills with Section 18(e) fiscal impact, the OA-BP determines an increase or decrease amount based on information in the fiscal note. For some bills, the fiscal note indicates the fiscal impact is "unknown." Accordingly, the OA-BP lists "unknown," rather than a dollar amount, in the legislative actions spreadsheet for these bills. OA-BP personnel indicated they did not attempt to develop a more precise estimate for this calculation because in some cases, it is not possible to quantify the potential impact of the legislation. The legislative actions spreadsheet contains a net total tax and fee increase/decrease for all bills combined. That information is compared to the calculated revenue limit to determine potential Section 18(e) compliance. The netting of the tax and fee increases and decreases is reasonable and in compliance with the amendment language.

The OA-BP legislative actions spreadsheet for the fiscal year 2018 legislative session included 125 bills, 40 of which the OA-BP determined had potential Section 18(e) fiscal impact.

Compliance

Section 18(e)(4) provides compliance with Section 18(e) shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year each individual tax or fee change is fully effective. For the fiscal year 2018 legislative session, actual compliance can be measured after each 2018 legislative session bill is fully effective.

Section 18(e)(5) provides any taxpayer or statewide elected official may bring action under Section 23 of the Hancock Amendment to enforce compliance with the provisions of Section 18(e). For actions brought by any statewide elected official, the Missouri Supreme Court shall have original jurisdiction. In such enforcement actions, the court shall invalidate the taxes and fees that should have received a public vote. The court shall order remedies in the amount of excess revenues collected, such as refunds or reductions in future taxes and/or fees.

Conclusions

TSR

For the year ended June 30, 2018, TSR was approximately $3.9 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2018. This revenue limit has not been exceeded since the year ended June 30, 1999.

Tax and Fee Increases

For the year ended June 30, 2018, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of at least $41.3 million. The projected net decrease does not include 9 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code		SAM II Revenues	Year Ended June 30, 2014	2015	2016	2017	2018
1001		Sales and use tax	$ 1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210
1003	(8)	Parks sales and use tax	42,830,073	44,211,573	46,171,505	46,830,973	47,830,741
1005	(7)	Soil and water sales and use tax	42,830,077	44,211,575	46,171,508	46,830,977	47,830,649
1007		General revenue reimbursements - local sales and use tax	1,650,259	2,749,261	2,228,574	2,664,200	2,730,254
1009		Motor vehicle sales tax	4,090,999	5,060,318	4,722,745	5,401,164	5,203,111
1009	(24)	Motor vehicle sales tax - Amendment 3	264,542,465	287,525,910	300,926,757	317,332,358	322,920,915
1011	(16)	Conservation sales and use tax	107,076,440	110,528,741	115,429,774	117,077,413	119,568,141
1013	(2)	Proposition C sales and use tax	841,225,588	868,206,165	906,517,715	918,927,877	938,175,451
1015		Sales and use taxes paid under protest	217,330	252,144	248,449	1,079,334	36,894
1016	(26)	Suspense holding	-	-	-	-	58,298
1022		Individual income tax	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497
1024		Individual income taxes paid under protest	7,174	6,927	-	-	-
1026		Corporate income tax	479,242,902	525,403,403	466,496,555	432,357,927	459,482,248
1028		Corporate income taxes paid under protest	16,571	1,155,831	-	-	-
1033		County foreign insurance tax	202,752,455	239,393,674	247,446,081	280,592,925	310,095,430
1037		Worker's compensation insurance tax	15,700,482	17,199,724	17,156,163	16,720,052	17,416,920
1039		Worker's compensation insurance tax - second injury	54,987,065	90,502,981	106,107,160	101,791,431	102,703,123
1041		Excess lines of insurance tax	28,719,999	29,713,178	30,024,860	33,455,598	34,308,445
1049		Heavy beer tax	7,887,262	7,708,889	7,798,378	7,666,892	7,437,210
1053		Liquor tax	21,925,239	22,476,067	22,844,443	24,012,395	25,088,295
1055		Wine tax	5,947,749	6,023,763	6,205,469	6,184,019	6,405,925
1057		Cigarette tax	82,301,596	81,745,445	83,685,975	79,873,777	75,939,169
1059		Tobacco product tax	17,225,212	17,691,619	19,434,019	20,516,652	21,468,711
1060		Motor vehicle fuel tax	395,257,448	393,296,159	400,332,970	410,393,007	399,068,251
1060	(3)	Motor vehicle fuel tax	164,058,506	165,022,444	172,484,819	171,758,978	174,486,338
1060	(24)	Motor vehicle fuel tax - Amendment 3	145,605,497	146,461,013	153,104,463	152,531,806	154,945,469
1062		Special fuel non-gas tax	258,291	566,554	944,100	502,526	295,570
1062	(24)	Special fuel non-gas tax - Amendment 3	128,033	128,680	108,038	109,013	124,213
1064		Aviation fuel tax	264,010	252,969	257,088	257,653	258,963
1070		Corporation franchise tax	61,314,630	32,211,295	19,512,409	2,743,150	2,240,048
1073		Estate tax	129,700	92,215	56,183	55,785	54,413
1074	(12)	Bingo tax	1,810,599	1,770,286	1,705,122	1,751,736	1,452,759
1076	(13)	Gaming commission gross receipts tax	314,364,443	320,386,965	323,585,514	324,262,046	328,396,438
1079		County private car tax	83	-	-	-	-
1080		Real and personal property tax	26,731,442	27,568,831	28,189,016	28,830,339	29,703,452
1082		Delinquent real and personal property tax	2,994,380	2,696,733	2,702,974	2,811,753	3,562,473
1084		Hazardous waste fees	2,365,426	2,321,743	2,331,512	2,721,071	2,875,184
1086		Miscellaneous taxes protested	-	536	-	-	-
1088		Nursing facility reimbursement allowance	18,329,061	18,022,997	20,891,666	19,522,237	18,238,114
1089		Pharmacy reimbursement allowance	91,412,290	87,807,243	95,736,817	87,380,822	108,168,401
1090		Federal reimbursement allowance	15,956,994	15,380,839	15,806,286	15,567,989	26,077,730
1093		Athletic events tax	112,214	129,711	154,464	232,140	111,792
1094		Ambulance service reimbursement allowance	7,956,001	7,894,871	7,863,496	9,781,742	11,366,127
1095		Surcharges	154,948	140,769	132,698	105,605	14,729
1097		Agency collected sales taxes	230,578	214,314	216,632	204,114	218,335
1098		Telecommunications tax	-	28	-	7,512,046	-
1099		Other taxes	79,512	44,349	91,624	77,086	75,374
1100		Professional licenses or permits	27,594,721	29,225,729	26,707,324	28,140,106	24,242,068
1102		Recreational licenses or permits	5,559,494	5,927,972	6,324,511	6,977,269	7,109,470
1106		Motor vehicle licenses or permits	124,206,058	125,787,801	131,250,543	134,957,753	136,690,431
1106	(24)	Motor vehicle licenses or permits - Amendment 3	54,180,250	54,865,114	55,461,349	56,738,706	57,150,515
1108		Interstate transportation licenses or permits	50,908,751	53,343,143	56,630,383	52,754,737	57,069,595
1108	(24)	Interstate transportation licenses or permits - Amendment 3	23,011,734	24,046,211	25,644,751	23,865,121	25,801,301
1110		Driver's licenses or permits	6,331,641	7,461,353	7,165,485	6,391,039	7,439,702
1110	(24)	Driver's licenses or permits - Amendment 3	7,677,449	8,692,977	8,195,615	7,363,142	8,105,039
1112		Land reclamation commission permits	601,738	549,999	586,109	673,840	757,262
1114		Salesman licenses or permits	802,435	841,500	1,024,810	1,343,560	1,486,950
1116		Vehicle and boat manufacturer and dealer licenses	869,682	875,649	906,202	944,410	938,393
1118		Liquor licenses or permits	5,308,776	5,122,020	5,358,359	5,303,962	5,476,918
1120		Gaming commission licenses	1,829,568	1,633,790	1,992,445	2,024,787	1,882,525
1121		Fantasy sports licenses	-	-	-	23,446	43
1124		Motor carrier licenses	2,791,638	2,961,695	2,492,555	2,294,927	2,384,911
1126		Hunting and fishing licenses and commission permits	31,725,219	31,788,573	33,011,845	31,988,432	32,628,927

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code		SAM II Revenues	Year Ended June 30, 2014	2015	2016	2017	2018
1127		Hunting and fishing special tags	1,015,201	1,038,386	1,356,543	1,094,487	1,063,441
1128		Hazardous waste transporter licenses	322,289	335,378	343,769	327,114	318,958
1130		Water pollution control permits	4,065,386	4,715,396	5,494,736	5,859,232	5,501,402
1132	(24)	Overdimension/overweight permits - Amendment 3	9,545,940	9,277,614	9,563,794	9,377,774	9,565,985
1134		Merchant licenses	1,551,865	1,578,713	1,558,949	1,624,958	1,619,808
1136		Tobacco licenses	27,000	27,300	27,800	27,200	26,700
1138		Temporary licenses	375	275	525	1,000	2,075
1140		Duplicate plates	1,468,228	1,442,386	1,481,181	1,549,922	1,558,861
1142		Duplicate driver license	1,819,152	1,862,866	1,994,714	2,133,152	2,051,614
1149		Other licenses and permits	3,593,531	3,605,389	3,730,385	3,797,009	3,827,119
1149	(24)	Other licenses and permits - Amendment 3	1,493,436	1,743,776	1,277,111	2,221,319	1,297,211
1150		Lobbyist registration fees	10,920	11,000	11,230	11,370	11,420
1152		Motorboat fees	12,145,169	12,549,673	12,358,613	12,687,392	12,562,562
1154		Narcotics and dangerous drugs fees	750,873	876,520	880,086	904,213	926,437
1156		Occupational boards exam fees - individual exam fees	788,310	801,324	843,897	474,928	379,823
1160	(24)	Non-motor fuel decal fees - Amendment 3	234,285	285,643	247,609	316,589	326,378
1162		Filing fees	18,691,254	19,047,755	19,812,035	19,096,824	19,153,508
1163		Certifying/authenticating fees	130,938	11,809	55,699	135,395	39,735
1164		Transfer fees	31,108	34,040	33,548	33,376	34,188
1165		Service contract registration fee	119,000	116,100	131,500	129,950	132,450
1169		Other registration fees	11,090,142	11,501,235	11,916,069	11,926,930	12,158,837
1172	(13)	Fantasy sports operation fees	-	-	-	228,935	439,214
1174		Asbestos fees	241,620	235,535	245,555	454,125	641,260
1176		Egg license fees	27,083	15,885	58,646	31,481	33,688
1178		Milk control fees	79,082	30,309	96,454	100,914	108,294
1180		Home health care license fees	113,825	120,200	111,750	121,210	103,132
1182		Nursing home license fees	127,806	142,069	137,660	146,633	138,853
1184		Title V emissions fees	7,492,099	7,081,848	7,865,484	6,284,503	6,323,571
1185		Emission fees/non Title V facilities	348,043	349,628	448,478	416,085	438,997
1186		Boarding home license fees	710,206	737,607	719,001	744,606	715,228
1188		Public utilities fees	20,118,625	19,695,636	19,842,506	19,936,400	19,627,829
1190		Hospital license fees	85,884	89,082	81,871	87,149	83,634
1192		Grain warehouse license fees	32,184	36,367	42,072	64,423	68,966
1194		Missouri primacy fees	4,520,406	4,748,831	4,835,262	4,065,366	4,925,394
1198		Transport load fees	11,239,640	11,195,303	11,567,440	11,633,855	11,529,928
1200		Storage tank registration fees	192,916	193,725	205,110	57,645	48,405
1202		Tourist cabin permit fees	181,910	181,401	179,526	180,454	184,148
1206		Solid waste disposal fees	10,576,521	10,946,036	11,764,753	12,282,791	12,831,002
1208		New tire fees	2,060,844	2,166,653	2,217,207	2,276,854	2,125,370
1209		Battery fee	738,351	683,452	680,264	740,814	746,809
1210		Ground water protection fees	667,969	616,030	693,711	698,748	646,442
1211		Radioactive waste transport fee	248,625	289,850	256,975	210,775	139,850
1214		Insurance regulatory fees, renewals and purchasing groups	2,804,144	2,435,554	2,269,071	2,544,199	2,327,841
1216		Air conservation commission permit fees	212,155	246,325	333,850	423,138	578,176
1218		Bingo license fees	38,010	35,085	31,930	31,030	28,455
1220		Lab fees	5,725,578	6,079,666	6,305,303	7,957,512	8,623,532
1222		Program administration fees	1,056,753	1,069,294	1,413,854	1,408,679	1,375,091
1223		Confined animal feed operation indemnity fees	4,392	-	2,196	-	-
1224		Railroad assessments	756,623	1,027,245	422,007	810,359	968,288
1227		Enhanced vehicle emission inspection fees	2,000,573	2,096,697	2,130,025	2,177,427	2,157,771
1233		Grain warehouse inspection fees	2,563,861	3,583,890	3,371,837	3,870,846	4,025,240
1235		Milk inspection fees	1,032,307	1,011,168	1,030,191	1,085,848	1,101,997
1237		Ice cream products inspection fees	35,125	33,150	31,731	30,600	37,300
1239		Mine inspection fees	67,789	61,016	67,080	63,688	62,468
1241		Mobile home and recreational vehicle inspection fees	401,934	383,477	426,507	434,304	462,097
1243		Oil inspection fees	2,362,714	2,344,403	2,417,687	2,598,663	3,384,043
1244		Oil and gas resources fees	-	-	-	32,403	75,122
1249		Other inspection fees	2,526,682	2,523,411	2,621,839	2,520,987	2,555,711
1250		Collection fees	28,363,897	30,805,269	32,230,771	32,330,843	34,973,528
1252		Admission fees	1,351,851	1,366,316	1,643,202	1,594,891	1,645,002
1252	(13)	Admission fees - riverboat gambling	44,870,917	44,222,953	42,523,664	40,826,259	39,559,834
1254		State auditor fees	171,721	171,573	166,770	164,549	155,378
1260		Grade crossing safety fees	1,310,711	1,325,763	1,336,137	1,360,093	1,359,194

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code		SAM II Revenues	Year Ended June 30, 2014	2015	2016	2017	2018
1262		Loan administration fees	6,923,903	7,127,199	8,311,128	9,385,819	8,484,187
1263		Contract fees	-	117,855	1,048,116	1,394,510	2,119,654
1263	(A)	Contract fees - Fund 657	-	384	-	-	-
1264		Court fees	39,013,101	39,184,711	35,253,537	33,635,353	32,990,320
1266		Financial institutions examination fees	11,112,130	10,676,424	10,386,467	11,444,946	11,138,716
1268		Consumer finance license fees	956,625	963,425	1,351,002	1,312,454	1,243,357
1270		Transcript fees	102,687	128,674	98,305	105,059	118,465
1274		Marketing development fees	42,194	29,947	31,393	29,835	42,912
1276		Miscellaneous insurance fees	93,380	91,690	91,400	88,150	85,650
1278		Gaming commission administrative income	145	-	28	36	-
1279	(A)	Lottery commission fees	298,707	301,291	262,260	170,512	264,255
1280		Motor vehicle inspection sticker fees	3,840,955	3,850,742	3,844,936	3,815,022	3,788,372
1282		Logo sign advertising fees	4,434,405	4,561,512	6,440,866	4,971,340	3,758,337
1284		Public defender fees	1,335,978	1,339,899	1,356,885	1,415,002	505,578
1286		Witness fees	5,561	9,212	4,808	3,913	5,906
1288		County recorders fees	6,460,207	6,247,774	6,472,305	6,697,602	6,346,948
1290		Training or conference fees	169,658	205,630	205,462	161,925	134,102
1294		Electronic monitoring fee	76,488	63,381	52,187	38,739	44,976
1295		Intervention fees	9,006,410	8,503,124	8,429,899	7,414,914	8,028,733
1298		Substance abuse offender program fees	5,831,337	5,402,865	4,834,915	4,621,600	4,500,717
1302		Criminal records check fees	10,027,568	11,037,517	12,170,148	11,578,987	11,134,370
1303		Other fees	10,278,791	10,976,155	11,062,952	12,192,455	10,500,051
1305	(4)	Bond sales proceeds	-	167,828,087	210,116,282	102,130,224	133,670,887
1306		Proceeds from capital leases	2,592,318	5	-	-	-
1310		Land sales	5,938,834	3,444,324	8,871,857	3,221,947	6,192,002
1312		Sales of natural resources products	3,892,772	2,702,674	2,764,888	3,026,638	3,629,948
1314		Sales of agriculture products	3,239,003	2,890,674	2,355,652	2,254,153	1,963,186
1316		Manufactured product sales	7,779,143	8,418,694	7,456,017	7,814,296	8,355,266
1318		Information sales	2,537,175	2,579,080	2,197,919	2,128,295	1,933,697
1320		Souvenir sales	582,266	936,945	1,188,846	1,331,883	1,262,051
1322		Surplus property sales - state	2,761,141	2,921,816	2,443,802	1,963,089	1,397,226
1322	(22)	Surplus property sales - state - Fund 710	1,725,866	2,003,696	1,996,692	2,889,940	3,498,193
1324		Surplus property sales - federal	2,295,451	2,059,579	2,401,222	1,849,831	1,731,547
1326		Unclaimed property sales	-	2,971	7,228	-	-
1328		Sales of fixed assets - control	7,931,754	6,972,758	8,237,789	16,771,373	10,326,660
1330		Vital records sales	1,082,840	1,010,445	1,033,867	1,083,091	1,146,445
1332		Lottery ticket sales	64	-	-	-	-
1332	(A)	Lottery ticket sales - Fund 657	492,825,818	463,931,842	544,750,138	-	-
1332	(A)	Lottery ticket sales - Fund 682	-	-	-	506,939,548	550,136,435
1334		Cafeteria sales	800,225	895,283	848,497	815,052	743,907
1338		Other sales	258,697	1,401,509	150,851	164,257	160,364
1340		Gain sale fixed assets - control	-	-	-	10,000	-
1342		Supply sales	31	249	206	186	195
1401		Land rentals/leases	64,383	38,650	101,391	222,151	216,239
1403		State facilities rentals/leases	1,413,722	1,504,187	1,320,462	1,179,200	1,210,786
1404		Parking rentals/leases	63,552	69,989	69,424	66,696	58,886
1405		Concessions and recreational rentals/leases	2,495,952	2,951,494	3,034,114	3,105,762	3,180,389
1407		Housing/building rentals/leases	218,818	260,615	235,093	221,368	225,190
1409		Other leases and rentals	1,079,948	1,458,148	1,503,996	2,559,687	1,135,969
1414	(1)	Medicare	6,781,464	5,691,724	6,509,624	9,098,685	7,123,712
1418	(1)	Medicaid	81,573,482	73,123,636	72,032,939	80,000,126	79,351,290
1419	(1)	Medicaid - case managers	6,462	-	113,400	-	-
1420	(1)	Medicaid - community based	214,026,223	240,617,515	259,045,530	275,410,223	389,406,224
1422		Private payments	1,862,213	4,055,811	4,725,731	4,310,559	4,172,575
1424		Insurance payments	445,098	510,326	443,538	326,524	561,970
1426		Other payments	9,474	12,863	7,547	538,898	790,371
1434		Institutional support fees	-	-	1,284	-	-
1436		Room and care	28,363,819	28,109,625	27,664,512	26,946,999	25,026,869
1442		Mail/freight services	8	-	-	1,321	-
1446		Printing service	197,944	158,884	150,009	214,420	112,625
1448		Computer services	79,095	288,876	524,018	418,050	471,206
1450		Administration services	36,613	38,548	19,962	6,076	6,398
1501		Private donations	5,600,103	7,797,052	4,554,090	7,531,073	4,634,610
1502		Other governmental entity donations	4,050,000	1,050,032	-	1,607,500	1,757,500

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code		SAM II Revenues	Year Ended June 30, 2014	2015	2016	2017	2018
1507	(1)	NASAO (airport inspections)	30,550	27,950	20,150	23,400	27,950
1510	(1)	US Department of Agriculture	485,385,631	500,917,291	514,422,704	514,408,963	508,032,007
1512	(1)	US Department of Defense	30,693,698	32,534,000	38,537,907	33,598,338	39,111,801
1513	(1)	US Department of Homeland Security	2,786,890	3,808,312	2,854,523	2,430,710	2,051,905
1514	(1)	US Department of Housing and Urban Development	45,313,039	40,676,241	46,977,140	47,220,963	55,239,661
1516	(1)	US Department of Interior	29,116,162	27,826,979	29,441,709	32,053,401	32,848,237
1518	(1)	US Department of Justice	3,808,162	2,856,329	5,251,610	4,430,759	4,112,224
1520	(1)	US Department of Labor	125,567,984	126,368,853	120,842,194	123,241,053	109,450,198
1522	(1)	US Department of Education	651,573,896	653,328,831	657,882,449	679,698,618	667,389,831
1522	(C)	US Department of Education - Fund 880	6,631,940	4,125,941	3,075,670	2,513,914	2,322,003
1522	(C)	US Department of Education - Fund 881	89,823,025	72,379,643	47,726,056	36,334,748	59,125,831
1524	(1)	US Department of Transportation	913,853,780	856,690,126	908,711,359	921,311,289	1,014,416,571
1526	(1)	National Foundation for the Arts and Humanities	3,402,815	3,667,829	3,861,753	3,667,633	3,711,534
1528	(1)	US Veterans Administration	63,243,170	69,070,475	71,189,569	74,619,431	82,501,384
1529	(1)	US General Services Administration	50,091	36,789	27,192	24,477	22,571
1530	(1)	US Environmental Protection Agency	89,482,740	92,295,480	84,163,611	92,033,621	85,456,503
1532	(1)	US Department of Energy	10,598,978	6,869,770	6,841,344	7,065,176	6,234,693
1534	(1)	Federal Emergency Management Agency	48,677,321	136,785,815	90,290,749	80,291,635	77,200,265
1536	(1)	US Department of Health and Human Services	6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770
1538	(1)	National/community services	2,752,733	3,659,053	4,157,499	3,837,179	4,407,701
1540	(E)	US Social Security Administration - Fund 727	-	-	23,237	15,657	7,629
1540	(1)	US Social Security Administration	41,684,705	45,917,912	53,118,438	49,257,386	47,106,666
1542	(1)	National Archives and Records	80,676	15,025	43,615	10,460	17,121
1544	(1)	Elections Assistance Commission	-	-	-	-	7,230,625
1546	(1)	US Department of Treasury	9,160,236	-	10,476	121,807	-
1548	(1)	Equal Employment Opportunity Commission	134	-	-	-	-
1549	(1)	Miscellaneous federal revenues	46,737,165	48,644,049	39,911,964	39,415,516	43,310,397
1551		County mental health programs	12,094,852	11,311,919	12,946,158	12,412,049	8,557,588
1557	(1)	American Recovery and Reinvestment Act	83,364,036	40,937,451	27,772,004	37,522,104	29,773,379
1558	(1)	American Recovery and Reinvestment Act - other	98,176	-	-	-	-
1560	(1)	Federal pass-through grants	47,604,707	37,998,600	19,553,864	31,442,468	14,579,015
1560	(E)	Federal pass-through grants - Fund 727	-	-	-	140	-
1601		Time deposits interest	1,759,898	1,611,893	1,558,436	1,776,400	2,247,521
1601	(2)	Time deposits interest - Fund 688	40,548	40,894	36,417	40,463	38,001
1601	(A)	Time deposits interest - Fund 657	8,630	9,615	11,594	7,860	2,452
1601	(A)	Time deposits interest - Fund 682	-	-	-	6,900	17,588
1601	(7)	Time deposits interest - Fund 614	17,658	22,182	21,547	23,033	17,824
1601	(8)	Time deposits interest - Fund 613	12,552	11,456	10,151	7,517	6,381
1601	(B)	Time deposits interest - Fund 905	4,274	5,275	4,474	3,797	2,605
1601	(12)	Time deposits interest - Fund 289	452	150	88	62	57
1601	(13)	Time deposits interest - Fund 285	9,321	8,292	7,262	9,526	8,950
1601	(D)	Time deposits interest - Fund 963	512	513	442	495	472
1601	(16)	Time deposits interest - Fund 609	25,879	28,629	25,434	46,378	26,042
1601	(C)	Time deposits interest - Fund 880	22,942	27,827	25,249	27,386	24,041
1601	(C)	Time deposits interest - Fund 881	12,854	9,036	6,758	10,378	8,988
1601	(E)	Time deposits interest - Fund 727	-	-	3	12	4
1603		U.S./agency securities interest	21,271,757	19,236,045	21,062,373	25,189,472	43,348,110
1603	(2)	U.S./agency securities interest - Fund 688	314,250	276,482	291,279	393,868	781,242
1603	(A)	U.S./agency securities interest - Fund 657	67,509	64,305	90,912	67,231	47,268
1603	(A)	U.S./agency securities interest - Fund 682	-	-	-	77,129	347,260
1603	(7)	U.S./agency securities interest - Fund 614	136,776	149,111	172,161	223,251	347,220
1603	(8)	U.S./agency securities interest - Fund 613	97,185	77,050	81,195	68,983	126,197
1603	(B)	U.S./agency securities interest - Fund 905	33,279	35,597	35,689	35,704	51,666
1603	(12)	U.S./agency securities interest - Fund 289	3,521	996	785	601	1,145
1603	(13)	U.S./agency securities interest - Fund 285	71,221	55,813	58,132	92,251.87	171,468
1603	(D)	U.S./agency securities interest - Fund 963	6,256	5,880	6,021	7,331	11,847
1603	(16)	U.S./agency securities interest - Fund 609	201,135	192,528	202,650	451,363	516,235
1603	(C)	U.S./agency securities interest - Fund 880	180,476	187,577	201,919	266,191	467,557
1603	(C)	U.S./agency securities interest - Fund 881	96,161	60,978	53,579	101,089	181,320
1603	(E)	U.S./agency securities interest - Fund 727	-	-	26	114	70
1605		Other investment interest	133,832	238,000	945,400	227,032	1,069,890
1608		Realized gains and losses	-	13,079	-	-	-
1610		Interest on loans	5,963,729	12,020,643	2,306,462	3,991,978	5,137,467
1612	(25)	Interest - federal	12,442,473	4,271,580	6,414	370	-

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code		SAM II Revenues	Year Ended June 30, 2014	2015	2016	2017	2018
1614		Interest on receivables	5,686	2,083	2,189	1,399	3,732
1616		Interest on settlements	393,324	24,438	30,187	89,584	216,142
1618		Other interest	67,098	10,695	25,214	16,281	23,918
1618	(16)	Other interest - Fund 609	-	-	-	-	-
1620		Safety responsibility	-	50	-	-	-
1621		Penalties	15,026,501	17,377,448	13,441,422	10,476,994	13,339,149
1621	(C)	Penalties - Fund 881	61	38	1,232	41	86
1624		Settlements	5,310,083	39,019,494	5,602,284	11,865,632	4,954,292
1624	(A)	Settlements - Fund 657	-	-	1,578	-	36,826
1624	(C)	Settlements - Fund 880	-	582	-	-	-
1626		Court awards	12,167,031	11,122,925	12,786,154	23,175,458	19,228,331
1628		Insufficient funds charges	3,711	2,585	3,088	2,443	2,920
1634		Estates	247	3,950	792	461	208
1636		Unclaimed properties	92,346,642	100,888,189	94,224,664	96,044,838	98,968,823
1636	(A)	Unclaimed properties - state - Fund 657	-	-	-	-	-
1700	(5)	Salary refunds - federal	390,225	316,764	186,340	172,157	155,384
1701	(5)	Salary refunds - state	7,845	8,307	3,259	3,994	18,039
1702	(5)	Salary refunds - local/other	-	29	50	68	1,218
1703	(5)	General relief pension refunds	1,987	1,711	2,123	3,110	568
1704	(5)	Blind pension refunds	4,706	11,787	9,123	15,155	13,313
1706	(5)	Dependent children pension refunds	254,651	166,610	154,613	181,017	197,576
1715	(5)	Day care refunds	210,036	174,958	248,033	123,001	160,334
1717	(5)	Medicare - Medicaid refunds	546,964,083	555,309,589	764,065,387	745,882,820	769,637,896
1719	(5)	Cost in criminal cases refunds	1,055,769	1,145,795	1,107,583	989,773	1,131,067
1720	(5)	American Recovery and Reinvestment Act refunds	902,499	3,406,265	234,023	104,795	10,441
1721	(5)	Vendor refunds - federal	767,526	1,057,850	4,620,866	1,375,208	977,390
1722	(5)	Vendor refunds - state	2,021,933	606,888	655,137	1,671,200	1,132,213
1722	(A)	Vendor refunds - state - Fund 657	35,174	393	1,695	-	-
1722	(A)	Vendor refunds - state - Fund 682	-	-	-	2,422	3,206
1723	(5)	Vendor refunds - local/other	602,267	1,035,475	716,747	842,054	811,425
1723	(C)	Vendor refunds - local/other - Fund 880	383	339	209	967	609
1724	(5)	Political subdivision refunds	-	204	-	-	-
1725	(5)	Excess court payment refunds	8,716	152,449	27,813	270,262	1,185,773
1727	(5)	School refunds	6,710,912	3,773,819	6,417,301	3,867,964	3,971,653
1728	(5)	Scholarship refunds	45,031	1,737,431	1,079,095	1,184,340	1,163,954
1728	(C)	Scholarship refunds - Fund 880	-	-	270	-	-
1729	(5)	Audit findings - federal	-	7,894	3,541	-	-
1730	(5)	Audit findings - state	-	118	25	-	-
1731	(5)	Audit findings - local/other	103,069	26,509	76,760	34,242	118,960
1732	(5)	Utility refunds	101,704	112,228	136,184	184,036	223,191
1733	(5)	Fuel tax refunds	203,876	184,901	168,077	9,443	101,946
1735	(5)	Tax incremental financing (TIF) refund	974	-	-	-	-
1737	(5)	Other refunds	5,434,645	3,267,783	2,445,440	2,535,828	2,575,366
1737	(B)	Other refunds - Fund 905	-	176,756	-	-	-
1737	(C)	Other refunds - Fund 880	-	-	-	-	263
1737	(D)	Other refunds - Fund 963	-	-	-	136	-
1806	(18)	Recovery costs	82,224,337	146,337,214	141,153,215	208,492,070	155,657,507
1806	(A)	Recovery costs - Fund 657	-	6,565	-	-	-
1806	(A)	Recovery costs - Fund 682	-	-	-	61,714	-
1808		Deposit of surplus property funds	-	341	-	-	-
1811	(21)	Local match	50,600,510	34,985,281	20,599,206	14,410,471	15,507,413
1812	(19)	Cost reimbursements - federal	419,025	4,631,476	6,867,653	9,841,676	2,577,917
1813	(19)	Cost reimbursements - state	18,340,057	16,172,695	16,176,101	14,167,649	17,573,302
1813		Cost reimbursements - state (included)	15,930,219	17,577,192	18,273,342	17,608,815	18,239,650
1814	(19)	Cost reimbursements - local/other	187,174,831	170,106,348	179,458,857	137,157,431	154,003,419
1814	(B)	Cost reimbursements - local/other - Fund 905	100,510	-	-	2,849,735	6,872,485
1814	(C)	Cost reimbursements - local/other - Fund 880	6,630	4,461	2,175	-	-
1816		Bond account	8,760,097	8,693,952	8,020,533	6,843,143	4,976,308
1818	(17)	Employee expense reimbursement - federal	1,463	6,207	6,623	2,861	8,846
1819	(17)	Employee expense reimbursement - state	410	37,620	2,055	798	208
1820	(17)	Employee expense reimbursement - local/other	-	4,033	2,115	1,903	1,418,604
1821	(17)	Employee personal expense reimbursement	38,726	38,730	89,417	83,806	42,534
1822	(10)	Outlawed checks	5,536,200	5,544,179	7,906,652	9,341,755	8,039,816
1822	(B)	Outlawed checks - Fund 905	10,275	7,616	7,438	25,359	8,076

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code		SAM II Revenues	Year Ended June 30, 2014	2015	2016	2017	2018
1824	(20)	Canceled checks	1,861,189	4,730,204	4,523,255	5,055,748	3,541,743
1824	(A)	Canceled checks - Fund 657	-	-	-	75	-
1824	(B)	Canceled checks - Fund 905	6,209	178	129	2,857	216
1824	(C)	Canceled checks - Fund 880	-	-	-	-	-
1826	(9)	Redeposit of investments principal	1,459,102	112,942	109,022	1,123,588	1,608,437
1828	(11)	Redeposit of loan principal	69,361,487	74,454,908	83,588,497	97,881,344	105,777,957
1830		Telephone commissions	1,490,792	1,535,516	1,581,576	1,629,024	1,677,892
1832		Commission on sales	13,523	5,731	5,728	4,655	5,411
1834		Rebates	1,539,474	1,438,212	1,176,702	1,350,966	1,492,665
1834	(A)	Rebates - Fund 657	5,114	3,981	5,095	-	9
1834	(A)	Rebates - Fund 682	-	-	-	4,814	5,984
1834	(C)	Rebates - Fund 880	472	383	303	452	337
1834	(23)	Rebates - WIC	57,273,740	81,979,391	48,507,981	65,071,479	76,650,915
1836		Housing and maintenance receipts	20,142	19,848	15,811	976	-
1838		Loan defaults	674,897	571,590	495,335	505,882	844,904
1840	(15)	Loan proceeds	13,212,581	8,269,645	-	-	-
1842	(11)	Loan repayment	200,599	248,334	328,190	310,072	342,417
1842	(C)	Loan repayment - Fund 881	61,363,561	57,594,427	53,537,794	59,229,827	45,668,963
1843	(11)	Loans receivable contra account	5,394,634	5,354,505	5,680,374	8,537,324	6,598,537
1844		Insurance proceeds	1,516	-	7,988	41,049	17,119
1846		Capital credits/dividends	64,039	104,066	96,044	93,480	107,384
1848		Recycling receipts	286,314	232,498	207,286	212,898	192,205
1850		Forfeitures	2,274,761	1,882,450	1,503,970	1,202,243	1,782,672
1852		Overpayments	801,638	360,921	508,376	596,653	546,208
1856	(1)	Other miscellaneous receipts - federal	5,213,456	5,950,285	4,961,120	10,124,635	7,181,871
1858		Other miscellaneous receipts - state	3,907,352	3,977,952	3,869,407	13,832,071	10,610,567
1858	(A)	Other miscellaneous receipts - state - Fund 657	8,330	2,291	1,773	-	-
1858	(A)	Other miscellaneous receipts - state - Fund 682	-	-	-	4,655	3,238
1858	(B)	Other miscellaneous receipts - state - Fund 905	14,686,795	14,770,311	11,499,237	5,669,644	5,665,570
1860		Other miscellaneous receipts - local/other	2,385,011	3,820,925	2,664,027	2,140,078	1,790,819
1860	(A)	Other miscellaneous receipts - local/other - Fund 657	4,419,428	3,755,680	2,986,561	-	-
1860	(A)	Other miscellaneous receipts - local/other - Fund 682	-	-	-	2,122,102	3,883,124
1862		Fees for copying public records	257,705	272,648	273,622	265,841	267,948
1862	(A)	Fees for copying public records - Fund 657	998	-	151	-	-
1862	(A)	Fees for copying public records - Fund 682	-	-	-	75	36
1866		Federal share of grantee sales	243,547	450,287	330,838	299,208	233,188
1868		Receivable overpayment - federal	76	58	178	-	-
1870		Receivable overpayment - state	790	67	40	3	716
1872		Receivable overpayment - local	40	96	250	-	-
6001	(6)	Supply sales	451,132	390,128	479,411	374,932	406,292
6002	(6)	Open records fees	16,184	15,081	8,987	10,574	7,424
6003	(6)	Fleet services operations/maintenance	2,115,565	2,045,630	1,786,879	1,645,479	1,767,638
6005	(6)	Fleet services replacement	1,522,658	1,678,517	1,630,894	240,065	1,288,996
6006	(6)	Criminal records check fees	317,652	456,286	329,043	405,830	314,477
6007	(6)	Mail/freight services	10,679,698	9,761,536	9,619,041	9,605,392	9,291,754
6009	(6)	Telephone billing	36,473,586	36,836,383	37,945,584	38,207,119	33,736,326
6011	(6)	Printing service	5,243,375	5,275,658	5,126,201	4,953,996	4,323,276
6013	(6)	Reimbursement/recovery cost	27,114,023	31,672,678	27,485,232	27,633,771	27,843,968
6013	(C)	Reimbursement/recovery cost - Fund 881	-	2,242	-	-	-
6015	(6)	Leased facility	106,994,424	61,542,743	61,346,648	62,104,759	63,126,489
6017	(6)	Sale of material, supplies, and services	909,355	810,590	1,151,871	792,091	655,026
6019	(6)	Training	554,521	624,636	631,324	459,259	431,464
6021	(6)	Computer services	22,297,639	24,413,038	29,571,066	30,753,047	32,349,562
6023	(6)	Administration services	850,060	522,914	612,172	647,587	732,883
6025	(6)	Flight operations services	298,650	770,175	492,045	542,252	86,447
6027	(6)	Sale of manufactured products	18,969,055	19,461,962	20,665,985	20,192,629	18,619,178
6029	(6)	Interagency receipts	42,755,745	41,407,133	34,873,321	34,431,497	33,691,602
6029	(C)	Interagency receipts - Fund 881	522,508	591,646	562,670	634,586	-
6030	(6)	Sampling &/or analysis	841,801	926,768	909,218	896,298	831,956
6031	(14)	Redeposit of state funds	19,606	112,655	153,566	203,360	232,824
6032	(6)	Deposit of unclaimed property	-	-	-	-	-
6033	(6)	Permits	38,426	41,669	54,736	58,800	48,344
6034	(6)	Registration fees	103,377	133,015	107,443	124,446	102,586
6035	(6)	Taxes	8,419,180	9,609,364	8,613,452	7,653,994	8,380,299

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30, 2014	2015	2016	2017	2018
6036	(6) Transcript fees	8,210	26,002	10,195	16,039	10,545
	Total revenues	24,616,141,577	25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531
	Fund Exclusions:					
	(A) Lottery Funds - Fund 657 and 682	497,669,708	468,076,347	548,111,757	509,465,037	554,747,680
	(B) Alternative Care Trust Fund - Fund 905	14,841,342	14,995,733	11,546,967	8,587,096	12,600,617
	(C) Student Loan Funds - Funds 880 and 881	158,661,013	134,985,120	105,193,884	99,119,579	107,800,000
	(D) Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	6,768	6,393	6,463	7,962	12,319
	(E) Division of Youth Services Child Benefits Fund - Fund 727	-	-	23,266	15,923	7,703
	Revenue Source Exclusions:					
	(1) Federal funds	9,742,199,727	10,103,924,854	10,352,212,487	10,747,909,704	11,362,716,108
	(2) Proposition C sales and use tax/interest	841,580,386	868,523,541	906,845,411	919,362,208	938,994,695
	(3) Proposition A gas tax and license fee increases	164,058,506	165,022,444	172,484,819	171,758,978	174,486,338
	(4) Bond sales	-	167,828,087	210,116,282	102,130,224	133,670,888
	(5) Refunds	565,792,454	572,505,364	782,357,520	759,450,467	783,587,704
	(6) Interagency sales and receipts	286,974,316	248,421,906	243,450,748	241,749,856	238,046,532
	(7) Soil and water sales and use tax/interest	42,984,511	44,382,868	46,365,216	47,077,261	48,195,693
	(8) Parks sales and use tax/interest	42,939,810	44,300,079	46,262,851	46,907,473	47,963,318
	(9) Redeposit of investment principal	1,459,102	112,942	109,022	1,123,588	1,608,437
	(10) Outlawed checks	5,536,200	5,544,179	7,906,652	9,341,755	8,039,816
	(11) Redeposit of loan principal	74,956,720	80,057,747	89,597,061	106,728,740	112,718,913
	(12) Bingo tax	1,814,572	1,771,432	1,705,995	1,752,399	1,453,961
	(13) Riverboat gambling and other gaming proceeds	359,315,902	364,674,023	366,174,572	365,419,018	368,575,905
	(14) Redeposit of state funds	19,606	112,655	153,566	203,360	232,824
	(15) Loan proceeds	13,212,581	8,269,645	-	-	-
	(16) Conservation sales and use tax/interest	107,303,454	110,749,898	115,657,858	117,575,154	120,110,418
	(17) State employee expense reimbursement	40,599	86,590	100,210	89,368	1,470,191
	(18) Recovery costs	82,224,337	146,337,214	141,153,215	208,492,070	155,657,507
	(19) Cost reimbursements	205,933,913	190,910,519	202,502,611	161,166,756	174,820,986
	(20) Canceled checks	1,861,189	4,730,204	4,523,255	5,055,748	3,541,743
	(21) Local match	50,600,510	34,985,281	20,599,206	14,410,471	15,507,413
	(22) Proceeds of surplus property sales - Fund 710	1,725,866	2,003,696	1,996,692	2,889,940	3,498,193
	(23) DHSS program rebates	57,273,740	81,979,391	48,507,981	65,071,479	76,650,915
	(24) Amendment 3 revenue derived from highway users	506,419,089	533,026,938	554,529,487	569,855,828	580,237,026
	(25) Interest - federal	12,442,473	4,271,580	6,414	370	-
	(26) Suspense holding	-	-	-	-	58,298
	Other Exclusions and Limits:					
	CMIA interest payment to the federal government	-	19,999	7,016	12,274	220,155
	Agency remitted sales tax	239,471	224,953	236,007	213,462	253,441
	Abandoned funds claim payments	38,604,634	39,309,427	38,888,067	43,082,600	43,734,033
	Circuit courts escrow	-	-	-	-	2,506,078
	Debt offset escrow	-	-	-	-	13,876,494
	Coding errors	-	(95)	-	-	-
	Total exclusions	13,878,692,499	14,442,150,954	15,019,332,558	15,326,026,148	16,087,602,342
	Total revenues after exclusions	10,737,449,078	11,403,826,885	11,717,884,919	11,923,886,143	12,438,197,189
	Less SAM II expenditure refunds (Appendix B)	(1,328,253,309)	(1,278,493,892)	(1,459,778,233)	(1,474,612,512)	(1,480,782,389)
	Add refundable tax credits:					
	Missouri Works	-	-	-	11,969,574	16,996,555
	Enterprise Zone	109,188	141,943	-	-	-
	BUILD	4,610,238	3,311,820	3,858,758	4,832,573	7,080,218
	Missouri Quality Jobs	9,774,161	17,445,172	20,281,001	30,145,802	25,388,581
	New Enhanced Enterprise Zone	3,834,717	2,395,322	3,470,176	3,350,388	3,228,601
	Self-employed Health Insurance	793,147	829,513	1,523,728	1,946,042	2,123,978
	Public Safety Officer Surviving Spouse, Residential Dwelling Assessibility, Sporting Event Credit, and Business Facility Credit	72,258	94,043	695,312	1,367,055	1,341,800
	Total State Revenue	$ 9,428,389,478	10,149,550,806	10,287,935,661	10,502,885,065	11,013,574,533

Revenue amounts excluded from SAM II revenue amounts to arrive at Total State Revenue are discussed at Appendix C.

Appendix B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Expenditure Refunds

Object Code	SAM II Expenditure Refunds		Year Ended June 30, 2014	2015	2016	2017	2018
3200	Bond refunds	$	4,037,533	4,612,996	20,246,084	23,327,341	3,961,622
3206	Deposit and escrow refunds		65,501	80,882	568,458	48,096	83,042
3212	Federal share grantee sales refunds		-	46	-	-	-
3213	Tax credit debt offset		99,150	65,941	68,893	146,178	82,314
3215	Debt offset refunds		8,811,600	10,102,444	12,275,735	12,931,564	7,900,327
3218	Motor vehicle license fee refunds		526,385	312,432	430,535	1,318,516	394,301
3221	Driver's license fee refunds		55,674	54,387	50,160	38,925	37,582
3227	License and permit fee refunds		135,557	537,491	830,932	969,379	1,036,462
3230	Registration fee refunds		26,604	26,142	29,604	41,130	37,878
3233	Regulatory fee refunds		12,237	22,222	11,202	14,328	23,793
3236	Inspection fee refunds		51,341	68,105	53,611	54,007	45,159
3239	Miscellaneous fee refunds		388,745	379,316	444,125	463,144	407,726
3242	Sales refunds		18,821	4,539	6,030	5,824	3,443
3245	Lease and rentals refunds		4,070	2,085	3,535	4,673	3,738
3248	Medical services refunds		7,406,446	10,030,985	7,794,112	8,874,556	9,629,754
3251	Contributions refunds		-	56,807	500	597	-
3254	Federal refunds		989,516	700,700	3,994,617	481,514	230,293
3255	Financial institutions tax refunds		-	-	-	-	199
3257	Penalty and court award refunds		10,332	285	1,640	326	69
3260	Interagency billing refunds		-	-	300	-	-
3261	Receivable overpayment refunds		289,274	375,941	338,729	331,152	325,019
3267	Deferred revenue refunds		1,316,303	1,773,082	3,398,108	2,139,922	2,013,248
3268	Liability account refunds		3,276	-	-	-	-
3269	Other refunds		1,331,127	2,349,459	643,356	1,134,036	2,090,584
3272	Sales and use tax protested refunds		332	574,348	1,314	3,217	-
3281	County foreign insurance tax refunds		13,616,378	9,270,877	6,166,772	4,131,633	5,112,963
3284	County domestic insurance tax refunds		4,345,959	91,816	-	-	-
3287	Worker's compensation insurance tax refunds		96,395	169,765	308,555	267,358	51,801
3290	Worker's compensation 2nd injury insurance tax refunds		-	-	4,618	2,385	7,122
3291	Surplus lines insurance tax refund		42,391	31,040	54,296	32,302	119,999
3293	Cigarette tax refunds		50,251	20,732	19,696	38,557	385
3299	Aviation fuel tax refunds		20,025	5,607	5,772	2,239	3,360
3305	Special fuel (non-gas) tax refunds		19,702,979	19,891,763	16,618,103	17,609,769	17,597,075
3308	Fuel tax refunds		9,112,720	10,582,920	10,050,762	14,701,157	11,281,600
3311	Sales tax refunds		-	-	-	261	-
3314	Food tax exemption refunds		179	-	-	-	-
3317	General sales and use tax refunds		44,356,280	26,712,898	40,504,538	35,688,543	23,275,186
3326	Motor vehicle sales tax refunds		4,561,344	6,193,025	5,319,325	6,112,493	6,218,889
3329	Motor vehicle use tax refunds		286,517	64,376	3,210	2,791	697
3335	Boat tax refunds		3,760	3,680	3,688	4,070	3,005
3338	Individual tax refunds		948,964,266	943,383,972	1,032,515,749	1,080,740,622	1,128,602,275
3341	Senior citizens tax refunds		110,643,361	104,810,266	106,927,409	100,851,062	98,808,490
3344	Corporation tax refunds		142,741,406	120,498,356	181,455,603	159,007,587	161,392,989
3347	Franchise tax refunds		1,826,313	2,151,688	6,023,791	10,681	-
3350	Inheritance tax refunds		412	-	-	101,364	-
3356	Other tax refunds		2,302,549	2,480,476	2,604,766	2,979,213	-
	Total SAM II Expenditure Refunds	$	1,328,253,309	1,278,493,892	1,459,778,233	1,474,612,512	1,480,782,389

Review of Article X, Sections 16 Through 24, Constitution of Missouri
Appendix C

TSR Exclusions

Various revenue amounts are excluded from Statewide Accounting System for Missouri (SAM II) revenue amounts to arrive at Total State Revenue (TSR), as shown on Appendix A. These exclusions, which include certain funds, certain revenue types, and other exclusions and limits, are discussed below.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

(A) Lottery Funds

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded. Beginning in fiscal year 2017, lottery proceeds are deposited in the State Lottery Fund. In prior fiscal years, lottery proceeds were deposited in the Lottery Enterprise Fund.

(B) Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Missouri Veterans Commission hold funds in trust for inmates and patients. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

(C) Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes the two student loan funds held in trust.

(D) Pansy Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.

(E) Division of Youth Services Child Benefits Fund

The Division of Youth Services (DYS) Child Benefits Fund was administratively created to account for payments from the Social Security Administration held in trust for the benefit of youth in the DYS custody. Funds held in trust are not deemed to be state funds, and are therefore excluded. This fund was added as an excluded fund in fiscal year 2016. In prior years, most of the fund revenues were excluded as federal funds.

Excluded Revenues

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

(1) Federal Funds

Article X, Section 17, Missouri Constitution, specifically excludes federal funds.

(2) Proposition C Sales and Use Tax/Interest

In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded.

(3) Proposition A Gas Tax and License Fee Increases

In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item (24).

(4) Bond Sales

Attorney General Opinion 22-1982 concluded that proceeds of the state's general obligation bonds were not to be included in TSR.

(5) Refunds

Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded. Refunds also include cost recoveries and prescription drug rebates received through the Medicaid and Children's Health Insurance programs.

(6) Interagency Sales and Receipts

Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded.

(7) Soil and Water Sales and Use Tax/Interest
and
(8) Parks Sales and Use Tax/Interest

In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded.

(9) Redeposit of Investment Principal

The redeposit of investment principal is excluded.

(10) Outlawed Checks

Outlawed checks (issued checks not cashed by the payee within the time allowed) are redeposited in the state treasury and are excluded.

(11) Redeposit of Loan Principal

Redeposits of loan principal are excluded.

(12) Bingo Tax

The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

(13) Riverboat Gambling and Other Gaming Proceeds

In August 1992, voters approved an amendment to Article III, Section 39(d), Missouri Constitution that requires all state gaming revenues be appropriated for public education and excludes these revenues from TSR.

In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming, which had been enacted by voters as Proposition A in November 1992.

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.

On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in *Kelly v. Hanson*, 984 S.W. 2d 540 (Mo. App. W.D. 1998). The Missouri Court of Appeals, Western District, held that revenue from the $1 portion of the state-imposed $2 admission fee payable to the state is excluded from TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining $1 portion of the $2 admission fee is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

	In 2016, the general assembly passed HB 1941 that requires licensed fantasy sports contest operators to pay an annual operation fee equal to 11.5 percent of the operator's net revenue from the previous calendar year. These revenues are deposited in the Gaming Proceeds for Education Fund. Section 313.822, RSMo, provides all monies deposited in the Gaming Proceeds for Education Fund are to be treated as proceeds of river boat gambling. Under Article III, Section 39(d), Missouri Constitution, these annual operation fees are excluded from TSR.
(14) Redeposit of State Funds	The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.
(15) Loan Proceeds	The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.
(16) Conservation Sales and Use Tax/Interest	In *Conservation Federation of Missouri v. Richard Hanson*, 994 S.W. 2d 27 (Mo. Banc. 1999), the Supreme Court held that the revenue derived from the one-eighth of 1 percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.
(17) State Employee Expense Reimbursement	The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.
(18) Recovery Costs	Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Monies received from tobacco companies under the Tobacco Master Settlement Agreement are included in the recovery costs exclusion. See Tobacco Master Settlement Agreement Proceeds section. Also, see item (19).
(19) Cost Reimbursements	Monies received from other governments for reimbursements of costs incurred by the state are excluded. Regarding items (18) and (19), the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.

(20) Canceled Checks	Receipts derived from the redeposit of state checks that have been canceled are excluded.
(21) Local Match	Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these funds are not state funds, they are excluded.
(22) Proceeds of Surplus Property Sales	The proceeds from some sales of surplus property are excluded. Although the constitution does not specifically mention proceeds of surplus property sales and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.
(23) DHSS Program Rebates	The Department of Health and Senior Services (DHSS) receives rebates through various federal programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children and the HIV Care Formula Grants. These rebates are related to purchases made with federal funds and are therefore excluded.
(24) Amendment 3 Revenue Derived From Highway Users	In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005. Section 30(a)(4) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, "The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of 'total state revenues'. . . ." Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, "The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of 'total state revenues'. . . ." As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

	The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item (3)) Sections 29, 30(c), and 30(d) have no Hancock implications.
(25) Interest - Federal	Interest assessed and received on advances made to the state by the federal government. Since the interest is due to the federal government, it is excluded from TSR.
(26) Suspense Holding	The collection of unidentified funds for both state and non-state entities. Since these monies have not been identified, they are excluded from TSR.
Other Exclusions and Limits	Other exclusions and limits have been considered to arrive at TSR, as follows:
Cash Management Improvement Act (CMIA)	The state has to enter into an agreement with the federal government that governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.
Agency Remitted Sales Tax	Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.
Abandoned Funds Claim Payments	Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.
Circuit Courts Escrow and Debt Offset Escrow	Under Section 488.5028, RSMo, the Department of Revenue and State Lottery Commission make setoffs of income tax refunds and lottery prize payouts, respectively, for amounts owed to circuit courts. Similarly, under Section 143.784, RSMo, the Department of Revenue makes setoffs of income tax refunds for amounts due to state agencies. Amounts setoff under both provisions are placed in escrow accounts until any review hearings are held and the matter is resolved. As a result, this revenue is not included in TSR.
Expenditure Refunds	Under Article X, Section 17(1), Missouri Constitution, TSR shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded.

The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. A schedule of expenditure refunds is included at Appendix B.

Tobacco Master Settlement Agreement Proceeds

The OA-BP excluded $138,311,530 received from tobacco companies during fiscal year 2018. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorneys General. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001. The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2018 were as follows:

Fiscal Year	Amount
2001	$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552
2012	135,246,224
2013	135,166,246
2014	66,085,418
2015	132,261,643
2016	123,645,603
2017	191,261,135
2018	138,311,530

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all money recovered from others for costs incurred by the state or to be incurred by the state.*" The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs prior to fiscal year 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These three research projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies, but they believe continued exclusion is reasonable.

Federal Reimbursement Allowance and Nursing Facility Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program when collected by an offset against Medicaid claims, is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

Appendix D

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source Code	Type of Revenue	Year Ended June 30, 2014	2015	2016	2017	2018	5-Year Total	Percentage	Cummulative Percentage of Total
1536	US Department of Health and Human Services	$ 6,699,531,165	7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770	36,671,776,168	27.58%	27.58%
1022	Individual income tax	6,421,715,624	6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497	35,576,847,928	26.75%	54.33%
1001	Sales and use tax	1,977,037,033	2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	10,440,723,688	7.85%	62.18%
1524	US Department of Transportation	913,853,780	856,690,126	908,711,359	921,311,289	1,014,416,571	4,614,983,125	3.47%	65.65%
1013	Proposition C sales and use tax	841,225,588	868,206,165	906,517,715	918,927,877	938,175,451	4,473,052,796	3.36%	69.02%
1522	US Department of Education	748,028,861	729,834,415	708,684,175	718,547,280	728,837,665	3,633,932,396	2.73%	71.75%
1060	Motor vehicle fuel tax	704,921,451	704,779,616	725,922,252	734,683,791	728,500,058	3,598,807,168	2.71%	74.46%
1717	Medicare - Medicaid refunds	546,964,083	555,309,589	764,065,387	745,882,820	769,637,896	3,381,859,775	2.54%	77.00%
1332	Lottery ticket sales	492,825,882	463,931,842	544,750,138	506,939,548	550,136,435	2,558,583,845	1.92%	78.93%
1510	US Department of Agriculture	485,385,631	500,917,291	514,422,704	514,408,963	508,032,007	2,523,166,596	1.90%	80.82%
1026	Corporate income tax	479,242,902	525,403,403	466,496,555	432,357,927	459,482,248	2,362,983,035	1.78%	82.60%
1076	Gaming commission gross receipts tax	314,364,443	320,386,965	323,585,514	324,262,046	328,396,438	1,610,995,406	1.21%	83.81%
1009	Motor vehicle sales tax	268,633,464	292,586,228	305,649,502	322,733,522	328,124,026	1,517,726,742	1.14%	84.95%
1420	Medicaid - community based	214,026,223	240,617,515	259,045,530	275,410,223	389,406,224	1,378,505,715	1.04%	85.99%
1033	County foreign insurance tax	202,752,455	239,393,674	247,446,081	280,592,925	310,095,430	1,280,280,565	0.96%	86.95%
1106	Motor vehicle licenses or permits	178,386,308	180,652,915	186,711,892	191,696,459	193,840,946	931,288,520	0.70%	87.65%
1814	Cost reimbursements - local/other	187,281,971	170,110,809	179,461,032	140,007,166	160,875,904	837,736,882	0.63%	88.28%
1806	Recovery costs	82,224,337	146,343,779	141,153,215	208,553,784	155,657,507	733,932,622	0.55%	88.83%
1305	Bond sales proceeds	-	167,828,087	210,116,282	102,130,224	133,670,887	613,745,480	0.46%	89.30%
1520	US Department of Labor	125,567,984	126,368,853	120,842,194	123,241,053	109,450,198	605,470,282	0.46%	89.75%
1011	Conservation sales and use tax	107,076,440	110,528,741	115,429,774	117,077,413	119,568,141	569,680,509	0.43%	90.18%
1636	Unclaimed properties	92,346,642	100,888,189	94,224,664	96,044,838	98,968,823	482,473,156	0.36%	90.54%
1089	Pharmacy reimbursement allowance	91,412,290	87,807,243	95,736,817	87,380,822	108,168,401	470,505,573	0.35%	90.90%
1039	Worker's compensation insurance tax - second injury	54,987,065	90,502,981	106,107,160	101,791,431	102,703,123	456,091,760	0.34%	91.24%
1530	US Environmental Protection Agency	89,482,740	92,295,480	84,163,611	92,033,621	85,456,503	443,431,955	0.33%	91.57%
1534	Federal Emergency Management Agency	48,677,321	136,785,815	90,290,749	80,291,635	77,200,265	433,245,785	0.33%	91.90%
1828	Redeposit of loan principal	69,361,487	74,454,908	83,588,497	97,881,344	105,777,957	431,064,193	0.32%	92.22%
1057	Cigarette tax	82,301,596	81,745,445	83,685,975	79,873,777	75,939,169	403,545,962	0.30%	92.53%
1108	Interstate transportation licenses or permits	73,920,485	77,389,354	82,275,134	76,619,858	82,870,896	393,075,727	0.30%	92.82%
1418	Medicaid	81,573,482	73,123,636	72,032,939	80,000,126	79,351,290	386,081,473	0.29%	93.11%
1528	US Veterans Administration	63,243,170	69,070,475	71,189,569	74,619,431	82,501,384	360,624,029	0.27%	93.38%
6015	Leased facility	106,994,424	61,542,743	61,346,648	62,104,759	63,126,489	355,115,063	0.27%	93.65%
1834	Rebates	58,818,800	83,421,967	49,690,081	66,427,711	78,149,910	336,508,469	0.25%	93.90%
1842	Loan repayment	61,564,160	57,842,761	53,865,984	59,539,899	46,011,380	278,824,184	0.21%	94.11%
1540	US Social Security Administration	41,684,705	45,917,912	53,141,675	49,273,043	47,114,295	237,131,630	0.18%	94.29%
1514	US Department of Housing and Urban Development	45,313,039	40,676,241	46,977,140	47,220,963	55,239,661	235,427,044	0.18%	94.47%
1003	Parks sales and use tax	42,830,073	44,211,573	46,171,505	46,830,973	47,830,741	227,874,865	0.17%	94.64%
1005	Soil and water sales and use tax	42,830,077	44,211,575	46,171,508	46,830,977	47,830,649	227,874,786	0.17%	94.81%
1252	Admission fees	46,222,768	45,589,269	44,166,866	42,421,150	41,204,836	219,604,889	0.17%	94.98%
1557	American Recovery and Reinvestment Act	83,364,036	40,937,451	27,772,004	37,522,104	29,773,379	219,368,974	0.16%	95.14%

Appendix D

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source Code	Type of Revenue	Year Ended June 30, 2014	2015	2016	2017	2018	5-Year Total	Percentage	Cummulative Percentage of Total
1549	Miscellaneous federal revenues	46,737,165	48,644,049	39,911,964	39,415,516	43,310,397	218,019,091	0.16%	95.31%
6029	Interagency receipts	43,278,253	41,998,779	35,435,991	35,066,083	33,691,602	189,470,708	0.14%	95.45%
6009	Telephone billing	36,473,586	36,836,383	37,945,584	38,207,119	33,736,326	183,198,998	0.14%	95.59%
1264	Court fees	39,013,101	39,184,711	35,253,537	33,635,353	32,990,320	180,077,022	0.14%	95.72%
1512	US Department of Defense	30,693,698	32,534,000	38,537,907	33,598,338	39,111,801	174,475,744	0.13%	95.85%
1813	Cost reimbursements - state	34,270,276	33,749,887	34,449,443	31,776,464	35,812,952	170,059,022	0.13%	95.98%
1126	Hunting and fishing licenses and commission permits	31,725,219	31,788,573	33,011,845	31,988,432	32,628,927	161,142,996	0.12%	96.10%
1250	Collection fees	28,363,897	30,805,269	32,230,771	32,330,843	34,973,528	158,704,308	0.12%	96.22%
1041	Excess lines of insurance tax	28,719,999	29,713,178	30,024,860	33,455,598	34,308,445	156,222,080	0.12%	96.34%
1516	US Department of Interior	29,116,162	27,826,979	29,441,709	32,053,401	32,848,237	151,286,488	0.11%	96.45%
1560	Federal pass-through grants	47,604,707	37,998,600	19,553,864	31,442,608	14,579,015	151,178,794	0.11%	96.57%
6013	Reimbursement/recovery cost	27,114,023	31,674,920	27,485,232	27,633,771	27,843,968	141,751,914	0.11%	96.67%
1080	Real and personal property tax	26,731,442	27,568,831	28,189,016	28,830,339	29,703,452	141,023,080	0.11%	96.78%
6021	Computer services	22,297,639	24,413,038	29,571,066	30,753,047	32,349,562	139,384,352	0.10%	96.88%
1603	U.S./agency securities interest	22,479,526	20,342,362	22,256,721	26,974,579	46,398,605	138,451,793	0.10%	96.99%
1436	Room and care	28,363,819	28,109,625	27,664,512	26,946,999	25,026,869	136,111,824	0.10%	97.09%
1811	Local match	50,600,510	34,985,281	20,599,206	14,410,471	15,507,413	136,102,881	0.10%	97.19%
1100	Professional licenses or permits	27,594,721	29,225,729	26,707,324	28,140,106	24,242,068	135,909,948	0.10%	97.29%
1070	Corporation franchise tax	61,314,630	32,211,295	19,512,409	2,743,150	2,240,048	118,021,532	0.09%	97.38%
1053	Liquor tax	21,925,239	22,476,067	22,844,443	24,012,395	25,088,295	116,346,439	0.09%	97.47%
1188	Public utilities fees	20,118,625	19,695,636	19,842,506	19,936,400	19,627,829	99,220,996	0.07%	97.54%
6027	Sale of manufactured products	18,969,055	19,461,962	20,665,985	20,192,629	18,619,178	97,908,809	0.07%	97.62%
1059	Tobacco product tax	17,225,212	17,691,619	19,434,019	20,516,652	21,468,711	96,336,213	0.07%	97.69%
1162	Filing fees	18,691,254	19,047,755	19,812,035	19,096,824	19,153,508	95,801,376	0.07%	97.76%
1088	Nursing facility reimbursement allowance	18,329,061	18,022,997	20,891,666	19,522,237	18,238,114	95,004,075	0.07%	97.83%
1090	Federal reimbursement allowance	15,956,994	15,380,839	15,806,286	15,567,989	26,077,730	88,789,838	0.07%	97.90%
1858	Other miscellaneous receipts - state	18,602,477	18,750,554	15,370,417	19,506,370	16,279,375	88,509,193	0.07%	97.97%
1037	Worker's compensation insurance tax	15,700,482	17,199,724	17,156,163	16,720,052	17,416,920	84,193,341	0.06%	98.03%
1626	Court awards	12,167,031	11,122,925	12,786,154	23,175,458	19,228,331	78,479,899	0.06%	98.09%
1110	Driver's licenses or permits	14,009,090	16,154,330	15,361,100	13,754,181	15,544,741	74,823,442	0.06%	98.15%
1621	Penalties	15,026,562	17,377,486	13,442,654	10,477,035	13,339,235	69,662,972	0.05%	98.20%
1624	Settlements	5,310,083	39,020,076	5,603,862	11,865,632	4,991,118	66,790,771	0.05%	98.25%
1152	Motorboat fees	12,145,169	12,549,673	12,358,613	12,687,392	12,562,562	62,303,409	0.05%	98.30%
1169	Other registration fees	11,090,142	11,501,235	11,916,069	11,926,930	12,158,837	58,593,213	0.04%	98.34%
1206	Solid waste disposal fees	10,576,521	10,946,036	11,764,753	12,282,791	12,831,002	58,401,103	0.04%	98.38%
1551	County mental health programs	12,094,852	11,311,919	12,946,158	12,412,049	8,557,588	57,322,566	0.04%	98.43%
1198	Transport load fees	11,239,640	11,195,303	11,567,440	11,633,855	11,529,928	57,166,166	0.04%	98.47%
1302	Criminal records check fees	10,027,568	11,037,517	12,170,148	11,578,987	11,134,370	55,948,590	0.04%	98.51%
1303	Other fees	10,278,791	10,976,155	11,062,952	12,192,455	10,500,051	55,010,404	0.04%	98.55%
1266	Financial institutions examination fees	11,112,130	10,676,424	10,386,467	11,444,946	11,138,716	54,758,683	0.04%	98.59%

Appendix D

Review of Article X, Sections 16 Through 24,
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Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source Code	Type of Revenue	Year Ended June 30, 2014	2015	2016	2017	2018	5-Year Total	Percentage	Cummulative Percentage of Total
1328	Sales of fixed assets - control	7,931,754	6,972,758	8,237,789	16,771,373	10,326,660	50,240,334	0.04%	98.63%
6007	Mail/freight services	10,679,698	9,761,536	9,619,041	9,605,392	9,291,754	48,957,421	0.04%	98.67%
1132	Overdimension/overweight permits - Amendment 3	9,545,940	9,277,614	9,563,794	9,377,774	9,565,985	47,331,107	0.04%	98.70%
1094	Ambulance service reimbursement allowance	7,956,001	7,894,871	7,863,496	9,781,742	11,366,127	44,862,237	0.03%	98.74%
6035	Taxes	8,419,180	9,609,364	8,613,452	7,653,994	8,380,299	42,676,289	0.03%	98.77%
1295	Intervention fees	9,006,410	8,503,124	8,429,899	7,414,914	8,028,733	41,383,080	0.03%	98.80%
1262	Loan administration fees	6,923,903	7,127,199	8,311,128	9,385,819	8,484,187	40,232,236	0.03%	98.83%
1316	Manufactured product sales	7,779,143	8,418,694	7,456,017	7,814,296	8,355,266	39,823,416	0.03%	98.86%
1049	Heavy beer tax	7,887,262	7,708,889	7,798,378	7,666,892	7,437,210	38,498,631	0.03%	98.89%
1532	US Department of Energy	10,598,978	6,869,770	6,841,344	7,065,176	6,234,693	37,609,961	0.03%	98.92%
1816	Bond account	8,760,097	8,693,952	8,020,533	6,843,143	4,976,308	37,294,033	0.03%	98.95%
1822	Outlawed checks	5,546,475	5,551,795	7,914,090	9,367,114	8,047,892	36,427,366	0.03%	98.97%
1414	Medicare	6,781,464	5,691,724	6,509,624	9,098,685	7,123,712	35,205,209	0.03%	99.00%
	All other revenue source codes	277,262,936	269,236,620	253,902,950	268,461,685	259,730,371	1,328,594,562	1.00%	100.00%
	Total Revenues	$ 24,616,141,577	25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531	132,975,048,715		

Review of Article X, Sections 16 Through 24, Constitution of Missouri
Appendix E

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

(1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.

(2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.

(3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.

(a) There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the

fiscal year for which the calculation is being made, or the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b) For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c) The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d) If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). **Voter approval required for taxes or fees, when, exceptions--definitions--compliance procedure, remedies.**

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase shall be measured by

the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.

Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.

(a) Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b) The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

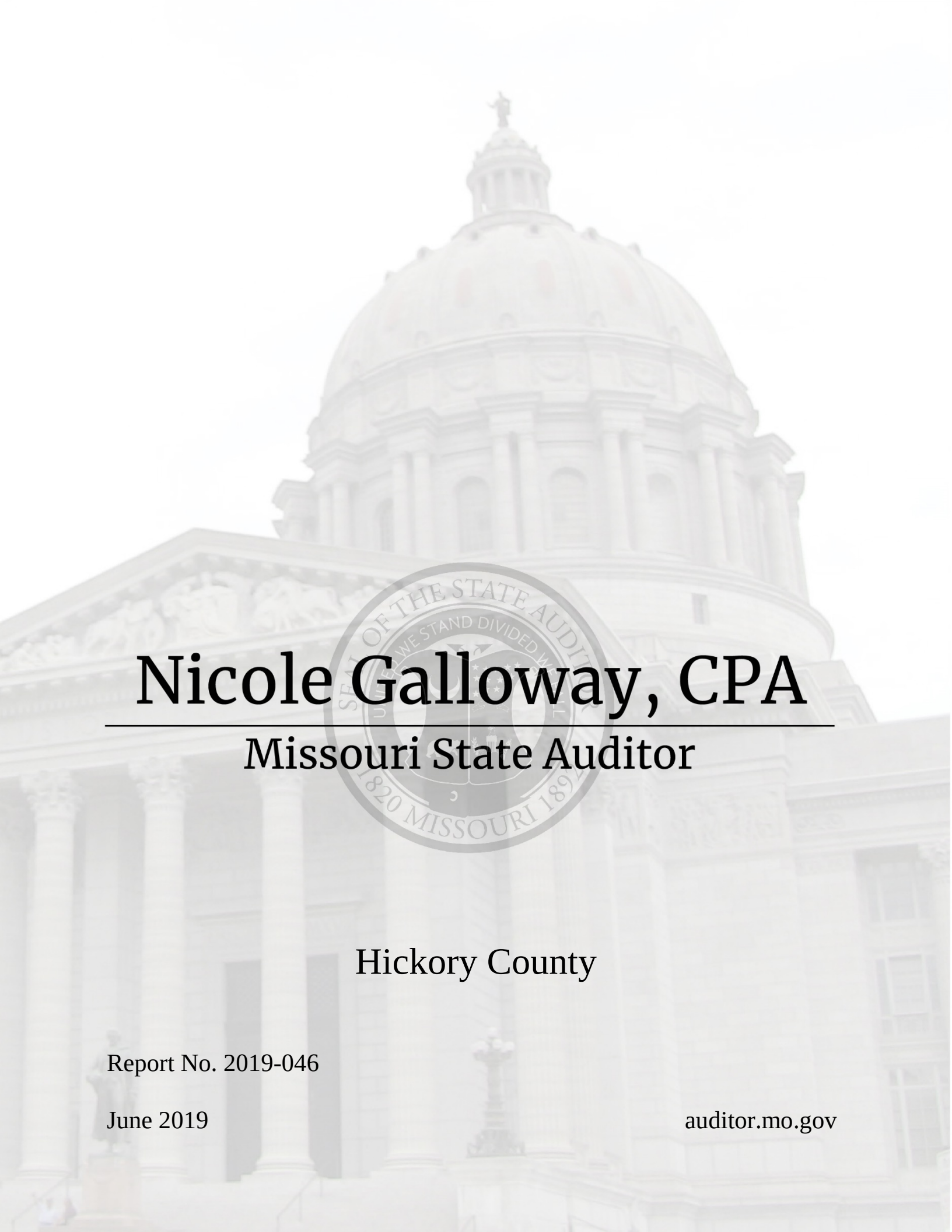
Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

Section 24. Voter approval requirements not exclusive--self-enforceability.

(a) The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b) The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).



Nicole Galloway, CPA

Missouri State Auditor

Hickory County

Report No. 2019-046

June 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Hickory County

Sheriff's Controls and Procedures	Controls and procedures over receipting and depositing need improvement. Receipt slips are not issued for some receipts, deposits of concealed carry weapon permit fees are not always made timely or intact, and checks received are not restrictively endorsed until deposits are prepared. The Sheriff's office did not timely disburse fees and other receipts to the County Treasurer. A monthly list of liabilities was not prepared for the civil account, and consequently, liabilities are not agreed to the reconciled bank balance. A complete and accurate inventory listing of seized property is not maintained and a physical inventory of seized property has not been performed. The Sheriff does not periodically review cases and dispose of related seized property items.
Prisoner Boarding	The Sheriff has not billed surrounding counties for boarding prisoners, has not established a daily housing rate to recover the costs for this service, and has not entered into written agreements with the counties for the services provided.
Assessment Fund Withholdings	The County Collector does not withhold amounts from the county's general property tax collections for the Assessment Fund in compliance with state law.
Electronic Data Security	Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Hickory County
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Hickory County

We have audited certain operations of Hickory County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Hickory County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

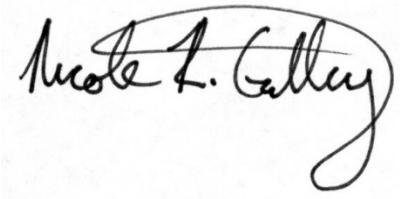
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Hickory County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	James C. Kayser, CFE, CGAP
Audit Staff:	Keisha Guthrie
	Joy Stevens, CFE
	Samantha A. Bull

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office collected civil paper service fees, concealed carry weapon (CCW) permit fees, inmate monies, and other miscellaneous receipts totaling approximately $46,000 during the year ended December 31, 2018.

1.1 Receipting and depositing

Controls and procedures over receipting and depositing need improvement.

- Receipt slips are not issued for phone card commissions, report copy fees, and civil paper service fees. A log of civil paper service fee receipts is maintained; however, entries are not numbered to help ensure all fees collected have been accounted for properly.

- Deposits of CCW permit fees are not always made timely or intact. For example, $490 of CCW permit fees were collected from April 13, 2018, through July 1, 2018, and a deposit of $430 was made on July 3, 2018. The dispatcher responsible for handling CCW permit fees indicated $60 in cash was withheld from the deposit to establish a change fund for CCW receipts. Our cash count of the CCW change fund on February 20, 2019, totaled $55. The dispatcher could not explain the $5 shortage.

- Checks received are not restrictively endorsed until deposits are prepared. All 5 checks counted during our cash counts on February 20, 2019, totaling $199, had not been restrictively endorsed.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected. Procedures should be established to ensure receipt slips are issued immediately for all monies received, the receipt slip number is posted to the civil paper service fee log, all monies are deposited timely, and checks are restrictively endorsed immediately upon receipt.

1.2 Disbursements

The Sheriff's office does not timely disburse fees and other receipts to the County Treasurer.

- The Sheriff's office disburses inmate monies received from commissary sales and phone card sales and other receipts approximately every 2 to 3 months to the County Treasurer. In addition, receipts from September and October 2017 totaling $5,037 were disbursed by a check dated February 14, 2018, from the Sheriff's office and not received by the County Treasurer until February 20, 2018. The November and December 2017 receipts totaling $3,295 were disbursed by a check dated January 19, 2018, and not received by the County Treasurer until February 13, 2018, one week before the September and October monies were received.

- CCW permit fees totaling $2,532 received from January to December 2018, were not disbursed to the County Treasurer from the CCW account until February 15, 2019.

Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer. Section 50.380, RSMo, indicates the Sheriff may be subject to penalties for failure to timely disburse monies.

1.3 Civil paper service liabilities

The dispatcher responsible for handling the civil account does not prepare a monthly list of liabilities for the account, and consequently, liabilities are not agreed to the reconciled bank balance. The Sheriff's office procedure is to collect civil paper service fees before papers are served. The fees are deposited upon receipt and distributed after the papers are served.

At our request, office personnel prepared a list of all civil paper service fees received, which totaled $1,230 as of April 20, 2019. The Sheriff distributed refunds of $90 for excess fees collected, leaving $1,140 in undistributed collections at that date. The April 20, 2019, check register balance of $3,136, exceeded the identified liabilities, resulting in a balance of $1,996, which represents civil paper service fees collected prior to April 2019 that have not been distributed.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained.

1.4 Seized property

The Sheriff's office has not established adequate controls and procedures over seized property. A complete and accurate inventory listing is not maintained and a physical inventory of seized property has not been performed. In addition, the Sheriff does not periodically review cases and dispose of related seized property items. Some seized property has been held for years.

Two different computerized systems are used to track seized property, and neither of the systems are accurate or complete. Items obtained since August 2018 are maintained in one system and items obtained prior to August 2018 are maintained in the other system. We tested 21 seized property items and identified the following concerns:

- The owner of $116 in cash seized in February 2017 was not identified on the evidence tag or in the old computerized system. In addition, $40 in cash was found in a locked box in the seized property room with a note indicating it was drug buy money. No other information on this money could be located.

- A cell phone seized in September 2018 and entered into the new computerized system could not be located in the evidence room.

- The Sheriff has not disposed of drugs and drug paraphernalia seized on 4 closed cases. The oldest of these items was seized in 2010.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory control records should be maintained, and periodic physical inventories performed with the results compared to inventory records to ensure seized property is accounted for properly. The use of multiple systems to track seized property is cumbersome and reduces the assurance that all information is accurately recorded and accounted for properly. Section 542.301, RSMo, provides the requirements for the disposition of seized property that has not been forfeited or returned to the claimant.

Similar conditions previously reported

Similar conditions to sections 1.1 and 1.4 were noted in our prior audit report.

Recommendations

The Sheriff:

1.1 Issue receipt slips for all monies received, post receipt slip numbers to the civil paper service fee log, deposit monies timely and intact, and restrictively endorse all checks immediately upon receipt.

1.2 Disburse fees and other receipts to the County Treasurer monthly in accordance with state law.

1.3 Prepare a monthly list of liabilities for the civil account and reconcile the list to the reconciled bank balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

1.4 Maintain a complete and accurate seized property evidence log, and ensure a periodic inventory is conducted and reconciled to the seized property evidence log, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property in accordance with state law, and maintain adequate release records.

Auditee's Response

1.1 We will issue receipt slips for all monies received, post receipt slip numbers to the civil paper service fee log, deposit monies timely and intact, and restrictively endorse all checks immediately upon receipt.

1.2 We will disburse fees and other receipts to the County Treasurer monthly in accordance with state law.

1.3 We will prepare a monthly list of liabilities for the civil account, reconcile the list to the reconciled bank balance, and any differences will be promptly investigated and resolved.

1.4 We will maintain a complete and accurate seized property evidence log, will ensure a periodic inventory is conducted and reconciled to the seized property evidence log, and investigate any differences. As Sheriff, I will also make timely and appropriate dispositions of seized property, and maintain adequate release records. Also, I will review any unidentified seized property on hand and obtain written authorization from the court to dispose of applicable property.

2. Prisoner Boarding

The Sheriff has not billed surrounding counties for boarding prisoners, has not established a daily housing rate to recover the costs for this service, and has not entered into written agreements with the counties for the services provided. Such agreements should detail the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. In addition, the Sheriff has a verbal agreement to allow Hickory County to house prisoners at another jail at no cost if Hickory County will house prisoners for that county at no cost.

The Sheriff housed prisoners for other counties for a total of 176 days during the year ended December 31, 2018. Surrounding counties charge Hickory County $35 and $37 a day to house prisoners. Using those rates, the county did not bill between $6,160 and $6,512 for boarding prisoners for 2018.

Procedures should be established to ensure all amounts owed for prisoner housing are properly billed at a rate sufficient to recover all costs. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Recommendation

The Sheriff bill surrounding counties for boarding prisoners. In addition, the Sheriff should work with the County Commission to establish billing rates sufficient to recover costs and obtain written agreements with those counties for boarding prisoners.

Auditee's Response

As Sheriff, and with the consent of the County Commission, I have established a daily housing rate of $45.00 per day to recover the costs for boarding prisoners.

Procedures are being established to ensure all amounts owed for prisoner boarding are properly billed to recover all costs incurred by the county. Written contracts will be created to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. With the County Commission's help, written agreements will be created and entered into with surrounding counties regarding boarding prisoners.

3. Assessment Fund Withholdings

The County Collector does not withhold amounts from the county's general property tax collections for the Assessment Fund in compliance with state law. For the 2 years ended February 28, 2019, the General Revenue Fund received $9,320 that should have been disbursed to the Assessment Fund.

Section 137.720.1, RSMo, requires a one percent commission on ad valorem property tax collections allocable to each taxing authority be deducted from the collections of taxes each year and deposited into the assessment fund of the county. Section 137.720.3, RSMo, requires an additional one-half percent commission. Adequate monitoring and proper calculation of Assessment Fund withholdings is necessary to ensure compliance with statutory provisions.

Recommendation

The County Collector review Assessment Fund withholdings for past years, calculate the amount owed by the General Revenue Fund, and disburse amounts under withheld to the Assessment Fund.

Auditee's Response

I understand that I incorrectly disbursed funds from tax collections that were not in compliance with state law. I have been doing the same process that I was shown since I was elected in 2011. I have been through other state audits, as was the previous County Collector, and it was never brought to anyone's attention. The County Assessor's office is partially funded by an annual transfer from the General Revenue Fund to the Assessment Fund. The County Assessor's office was not affected by this error.

As of March 2019, we will withhold the 1.5 percent from collections from the county's general property tax collections and disburse that money to the Assessment Fund.

4. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The County Assessor, Recorder of Deeds, and County Collector have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the offices of the County Assessor and Recorder of Deeds are not required to change passwords periodically, and employees in the County Collector's office only change their passwords every 6 months.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords in certain offices are not required to be periodically changed or are changed infrequently, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior 2 audit reports.

4.2 Security controls

Security controls are not in place to lock computers in the offices of the County Assessor, Record of Deeds, and County Collector after a certain period of inactivity.

Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with other county officials to:

4.1 Require confidential passwords that are periodically changed to prevent unauthorized access to county computers and data.

4.2 Require each county computer to have security controls in place to lock it after a certain period of inactivity.

Auditee's Response

We agree with the State Auditor's recommendations. An updated password policy was approved by the County Commission on June 10, 2019. Our new policy requires passwords to be changed every 90 days and requires computers to lock after a period of inactivity. On June 6, 2019, at 9:30 a.m., a meeting was held with all elected officials. The new policy was reviewed and they all agreed to follow the new policy.

Hickory County
Organization and Statistical Information

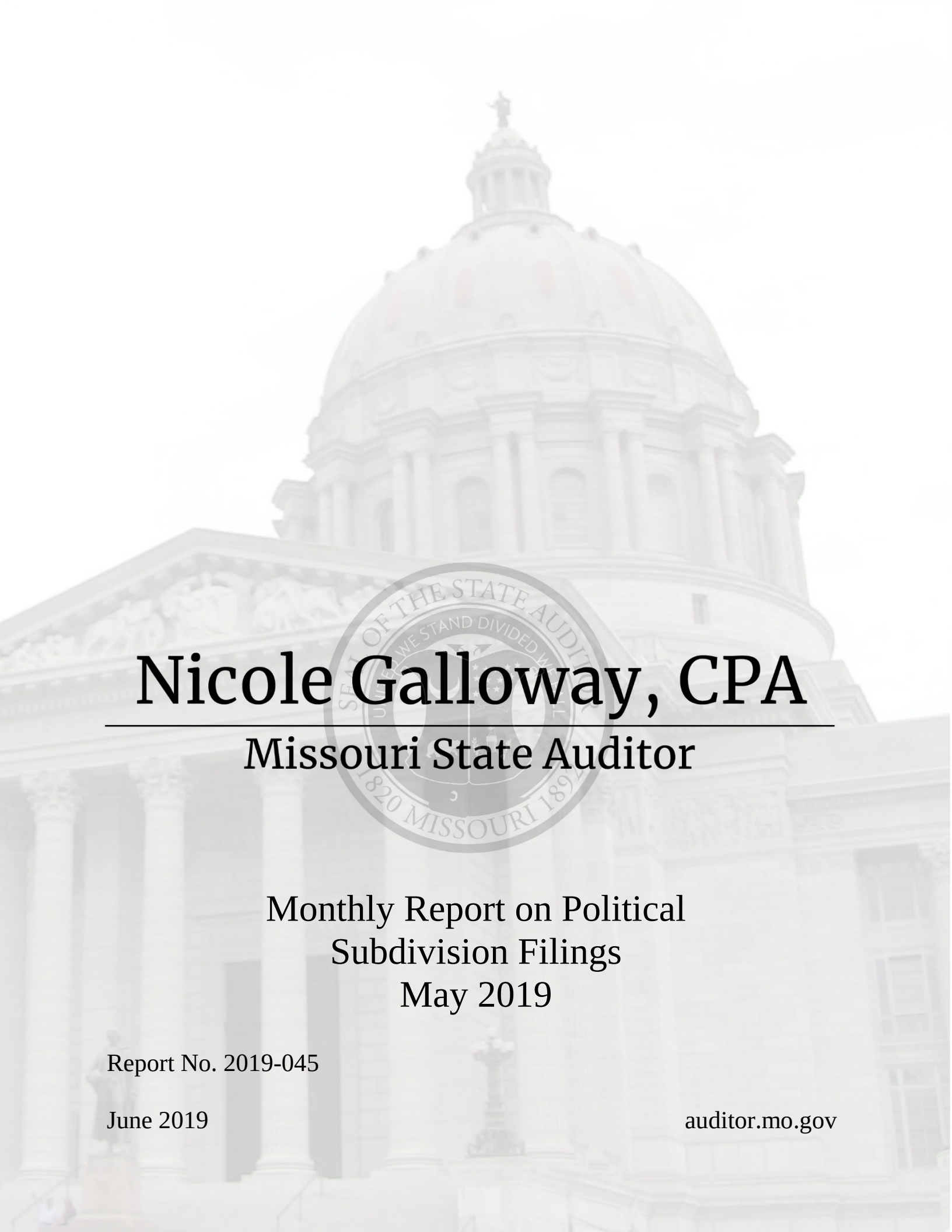
Hickory County is a county-organized, third-class county. The county seat is Hermitage.

Hickory County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 30 full-time employees and 10 part-time employees on December 31, 2018.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2019	2018
Robert Sawyer, Presiding Commissioner	$	27,080
Chase Crawford, Associate Commissioner		25,080
Rick Pearson, Associate Commissioner		25,080
Pamela Hutton, Recorder of Deeds		38,000
Jeanne Lindsey, County Clerk		38,000
J. Michael Brown, Prosecuting Attorney		45,000
W. Brian Whalen, Sheriff		43,000
Kenny Ratliff, County Treasurer		38,000
Connie Boller, County Coroner		11,000
Venessa Prettyman, Public Administrator		20,000
Karen Stokes, County Collector, year ended February 28,	38,000	
Clint D. Baker, County Assessor, year ended August 31,		39,462



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings May 2019

Report No. 2019-045

June 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
May 2019
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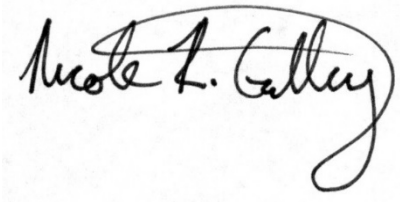
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 9 political subdivisions required to file a financial report by May 31, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in May 2019, after their filing deadline. The filing status for these 11 entities is presented in summary on page 3 and by individual entity in Appendix B-C.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings
May 2019
Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 9 political subdivisions, other than cities, towns, and villages, with a fiscal year end of November 30, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 9 political subdivisions, 5 filed an annual financial report timely.

This report also includes the filing status for 11 political subdivisions, other than cities, towns, and villages, that filed their financial report in May 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due May 31, 2019

Fiscal Year Ended November 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	Amazonia Levee District	Yes	December 20, 2018
Greene	PWSD 5 Greene County	No	
Holt	Big Tarkio Drainage District	No	
Jefferson	Goldman FPD	Yes	January 2, 2019
Laclede	Lebanon SRD 1 Laclede County	No	
Moniteau	Tipton Rural FPD	Yes	May 20, 2019
New Madrid	Drainage District 29 New Madrid County	Yes	December 27, 2018
St. Charles	PWSD 2 St. Charles County	Yes	April 25, 2019
St. Francois	Leadwood FPD	No	
Total Filed		5	
Total Not Filed		4	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in May 2019

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Fall Creek CID	Yes	May 9, 2019
Wayne	Clearwater Ambulance District	Yes	May 21, 2019
Total Filed		2	

Acronyms:

CID	Community Improvement District

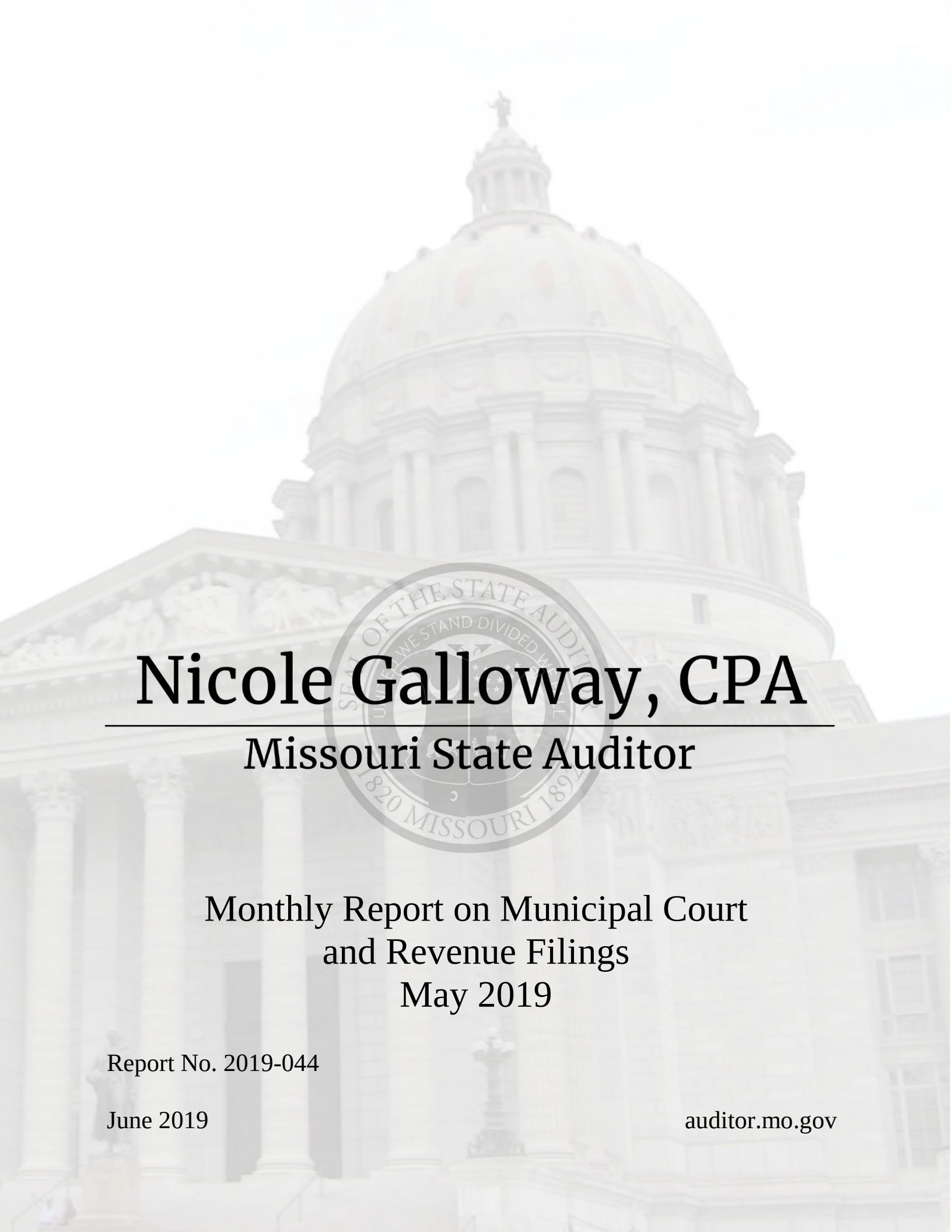
Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2019
Filed in May 2019

Fiscal Year Ended October 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	DeKalb FPD	Yes	May 22, 2019
Jasper	1717 Market Place TDD	Yes	May 28, 2019
	510 Rangeline CID	Yes	May 16, 2019
	Joplin Public Library District	Yes	May 14, 2019
Lewis	Lewis County NHD	Yes	May 13, 2019
Macon	Callao Town & Country Volunteer FPD	Yes	May 24, 2019
Montgomery	PWSD 1 Montgomery County	Yes	May 13, 2019
New Madrid	Drainage District 18 New Madrid County	Yes	May 15, 2019
Newton	Hope Valley CID	Yes	May 28, 2019
Total Filed		9	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
TDD	Transportation Development District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings May 2019

Report No. 2019-044

June 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
May 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

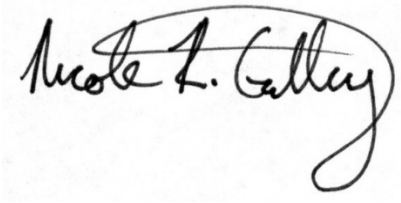
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by May 31, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 2 cities is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in May 2019, after their filing deadline. The filing status for these 14 cities is presented in summary on pages 4 and by individual entity in Appendixes B to D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 2 cities with a fiscal year end of November 30, 2018, whose financial reports, addendums, or certifications were due by May 31, 2019. Of the 2 municipalities required to file an annual financial report, both filed the report timely. Of the 2 municipalities required to file an addendum, 1 filed an addendum timely. One municipality was required to file a certification and filed the certification timely.

This report includes the filing status for 14 cities that filed at least one of the items (financial report, addendum, or certification) in May 2019, after their filing deadline. Of these entities, 6 filed an annual financial report, 8 filed an addendum, and 5 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due May 31, 2019

Fiscal Year Ended November 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Lafayette	City of Mayview	Yes	February 13, 2019	No	n/a
St. Louis	City of Florissant	Yes	May 30, 2019	Yes	Yes
Total Filed		2		1	1
Total Not Filed		0		1	0
Total n/a		0		0	1

n/a Entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in May 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Chariton	City of Keytesville	**	September 11, 2018	Yes	n/a
Gasconade	City of Owensville	**	December 18, 2018	***	Yes
New Madrid	City of Parma	Yes	May 29, 2019	No	No
Total Filed		1		1	1

** Filed by December 31, 2018.

*** Filed after December 31, 2018, but before May 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in May 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Franklin	City of Sullivan	Yes	May 8, 2019	**	**
Henry	City of Urich	***	April 16, 2019	Yes	n/a
Lafayette	City of Lake Lafayette	Yes	May 27, 2019	No	No
Saline	City of Marshall	**	February 14, 2019	Yes	Yes
St. Francois	City of Bonne Terre	**	March 25, 2019	Yes	No
St. Louis	City of Cool Valley	No		Yes	Yes
	City of Greendale	***	April 16, 2019	Yes	**
Stoddard	City of Advance	***	April 15, 2019	Yes	Yes
Total Filed		2		6	3

** Filed by March 31, 2019.

*** File after March 31, 2019, but before May 2019.

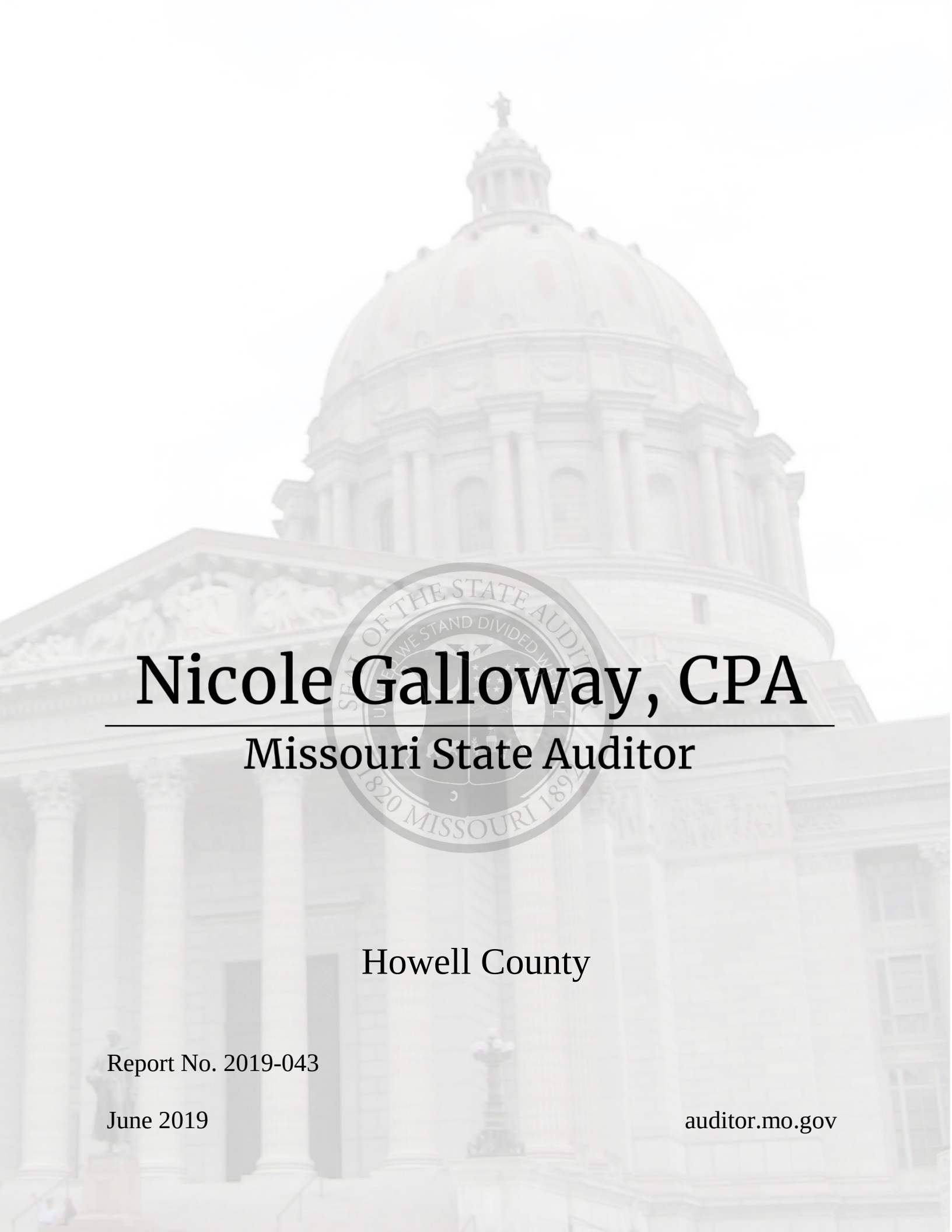
n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2019
Filed in May 2019

Fiscal Year Ended October 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jasper	City of Carterville	Yes	May 17, 2019	No	No
	City of Joplin	Yes	May 9, 2019	**	**
	City of Webb City	Yes	May 15, 2019	Yes	Yes
Total Filed		3		1	1

** Filed by April 30, 2019.



Nicole Galloway, CPA

Missouri State Auditor

Howell County

Report No. 2019-043

June 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Howell County

Sheriff's Controls and Procedures	The Sheriff's office has not established adequate procedures for depositing and refunding inmate monies. Sheriff's office personnel do not prepare a monthly list of liabilities to reconcile to the available cash balance for the commissary account. Records of commissary net proceeds are not maintained and distribution of net proceeds to the County Treasurer for deposit into the county Inmate Prisoner Detainee Security Fund are not made monthly as required by state law. Inventory procedures have not been developed by the Sheriff's office for electronic cigarettes and telephone cards sold to inmates. Procedures over prisoner board billings need improvement.
Property Tax System Controls and Procedures	The county has not adequately restricted property tax system access. Personnel in the County Collector's office has access rights in the property tax system to make changes such as addition, abatements, and deletions, but can also make corrections or changes to information entered into the property tax system.
County Collector's Controls and Procedures	The County Collector improperly withholds and personally retains commissions on surtax and railroad and utility taxes collected for cities.
Electronic Data Security	The County Clerk, County Collector, County Treasurer, County Assessor, Recorder of Deeds, Public Administrator, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers in the offices of the County Clerk, County Collector, County Treasurer, County Assessor, Recorder of Deeds, or Sheriff after a specified number of incorrect logon attempts or after a certain period of inactivity.
Personnel Policies	The County Commission has not adopted formal policies regarding the maximum amount of compensatory time allowed to be accrued for all employees to ensure policies are in accordance with the Fair Labor Standards Act.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Howell County
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Howell County

We have audited certain operations of Howell County in fulfillment of our duties under Section 29.230, RSMo. In addition, Deidiker Accounting & Consulting, LLC, Certified Public Accountants, was engaged to audit the financial statements of Howell County for the year ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

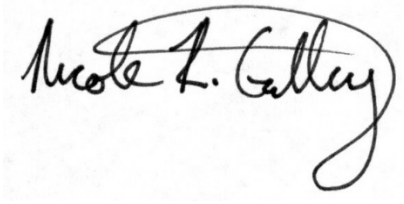
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Howell County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Troy Royer
Audit Staff:	Misty Bowen, MSED
	Kent Aaron Dauderman, M.Acct., CPA, CGAP
	Ethan D. Evans

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office processed inmate monies, paper service fees, concealed carry weapon permit fees, bonds, and other miscellaneous receipts totaling approximately $339,000 during the year ended December 31, 2017.

1.1 Depositing and refunding inmate monies

The Sheriff's office has not established adequate procedures for depositing and refunding inmate monies. Office personnel typically only make one deposit each month for this money. The deposit made on March 27, 2017, totaling $4,793, represented receipts occurring between February 24, 2017, and March 26, 2017. In addition, the Sheriff's office does not always refund inmates their money upon release. At August 15, 2018, the county held $4,758 for released inmates.

Failure to implement adequate depositing and refunding procedures increases the risk that loss, theft, or misuse of monies received will go undetected. Proper depositing and refunding procedures are necessary to ensure all monies are handled and accounted for properly.

1.2 Commissary liabilities

Sheriff's office personnel do not prepare a monthly list of liabilities to reconcile to the available cash balance for the commissary account.

We requested office personnel prepare a list of liabilities for the account as of December 31, 2017. The list totaled $6,821, which included $5,896 of inmate monies and $925 due to the commissary vendor. The reconciled bank balance was $44,729, resulting in an overage of $37,908, which possibly represents commissary net proceeds. However, there is no documentation supporting the amount of net proceeds in the account.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient cash is available for the payment of all liabilities. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. In addition, without a record of commissary net proceeds, the Sheriff cannot reconcile liabilities to cash balances to detect possible errors.

1.3 Commissary net proceeds

Records of commissary net proceeds are not maintained and distribution of net proceeds to the County Treasurer for deposit into the county Inmate Prisoner Detainee Security Fund are not made monthly as required by state law. All commissary net proceeds from commissary sales are retained with the inmate monies in the commissary bank account. Net proceeds totaling $51,263, were disbursed to the County Treasurer on June 22, 2018. Office personnel indicated this amount represented net proceeds from January 2017 through May 2018, however, they did not have any records to support how it was determined.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from

that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) of the commissary account into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer. In addition, Section 50.370, RSMo, requires county officials to turn over all fees to the County Treasurer monthly.

1.4 Commissary procedures

Inventory procedures have not been developed by the Sheriff's office for electronic cigarettes and telephone cards sold to inmates. A record is maintained to track who made purchases, but no records of inventory purchased and items remaining on hand are maintained.

Loss, theft, or misuse of the commissary inventory may go undetected without adequate inventory records and procedures. Detailed inventory records are necessary to adequately account for commissary inventory.

1.5 Prisoner boarding

Procedures over prisoner board billings need improvement.

- The Sheriff has not entered into written agreements with surrounding counties or cities for boarding prisoners. Such agreements should include the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. The Sheriff has established verbal agreements with some jurisdictions (cities and counties) to allow Howell County to house prisoners at their jails at no cost if Howell County does the same for those jurisdictions.

  Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. In addition, to ensure the county is billing at a rate that adequately recovers all costs, amounts charged for incarceration should be analyzed periodically and compared to billing rates.

- The Sheriff does not have procedures to follow up on unpaid prisoner incarceration billings to cities and counties. A spreadsheet is maintained to document amounts due from other cities and counties. This spreadsheet also includes amounts due from the state, courts, or the prisoner. Payers are requested to submit payment to the County Treasurer and when payments are received, the County Treasurer indicated she receipts the payment and provides a copy of the payment received, along with a copy of the receipt to the Sheriff's office. While payments received are posted to the spreadsheet, no follow up procedures are in place when payment is not received. Due to how the spreadsheet is maintained, office personnel cannot easily determine outstanding incarceration costs.

Procedures such as independent reconciliations of billing records to jail records and payments received should be established to ensure prisoner housing is properly billed and payments received are proper. Unpaid board bills should be monitored and appropriate follow-up action should be taken to ensure payment is properly received. Failure to monitor unpaid amounts due may result in a loss of revenue to the county.

Similar conditions previously reported

Similar conditions to sections 1.1 and 1.2 were noted in our 2 prior audit reports.

Recommendations

The Sheriff:

1.1 Deposit inmate monies timely and establish procedures to ensure the money is refunded upon release.

1.2 Prepare a monthly list of liabilities for the commissary account and reconcile it to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

1.3 Ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer monthly for deposit in the Inmate Prisoner Detainee Security Fund.

1.4 Maintain accurate commissary transaction records and reconcile these records to inventory purchased and sold.

1.5 Work with the County Commission to obtain written agreements with counties and cities for boarding prisoners. In addition, the Sheriff and the County Commission should periodically review the costs of boarding prisoners and establish billing rates sufficient to recover costs. In addition, develop procedures to track, monitor, and pursue collection of costs for boarding prisoners.

Auditee's Response

1.1 We agree and will look into depositing more timely. We will also look into turning over old inmate monies held to the State Treasurer's Office and we have implemented a debit card system for returning inmate monies upon release.

1.2 We will start a spreadsheet of liabilities to document the amounts in our bank account and reconcile that list to the bank statement monthly.

1.3 We will determine a minimum amount to run the commissary and turn over the remaining net proceeds to the County Treasurer at least quarterly.

1.4 We agree and will implement.

1.5 We will work with the County Commission and determine a recommendation on a uniform process to handle contracts for boarding prisoners. We will also periodically review costs for boarding prisoners and determine rates, and we will expand our procedures for tracking and collecting billings for boarding prisoners.

2. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. The County Collector processed property tax collections totaling approximately $22.2 million during the year ended February 28, 2018.

The county has not adequately restricted property tax system access. Personnel in the County Collector's office has access rights in the property tax system to make changes such as additions, abatements, and deletions, but can also make corrections or changes to information entered into the property tax system. Because the County Collector is responsible for collecting tax monies, the ability of personnel within this office to make changes to the property tax system represents a significant weakness in internal controls. Good internal controls require the County Collector and other office personnel not have access rights allowing alteration or deletion of information. Although all changes are printed by the County Assessor and sent to the County Clerk's office for review, neither the County Clerk nor the County Commission reviews the changes made in the property tax system.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual changes made to the property tax system would help ensure changes are proper.

A similar condition was noted in our 2 prior audit reports.

Recommendation

The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored. In addition, the County Commission should work with the County Collector to ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

Auditee's Response

New procedures have been implemented by the County Clerk to ensure all abatements are properly accounted for and approved by the County

Commission. We plan over the next 2 years to assess how effective these procedures are and reevaluate the County Collector's access to the property tax system.

3. County Collector's Controls and Procedures

The County Collector improperly withholds and personally retains commissions on surtax and railroad and utility taxes collected for cities. These commissions totaled $3,738 for the year ended February 28, 2018.

The collection of surtax and railroad and utility taxes is a part of the County Collector's statutorily required duties, and he should not receive additional compensation for collecting these taxes. However, the County Collector withholds and personally retains a 3 percent commission from surtax and railroad and utility taxes for the cities of West Plains and Willow Springs.

The County Collector has written agreements with cities for property tax collection services, which provide for him to personally retain a 3 percent collector commission on all city tax collections. Because the collection of surtax and railroad and utility taxes is a statutorily required duty, these contract terms conflict with state law and the County Collector should not receive this additional compensation. The County Collector would collect surtax and railroad and utility monies for these cities even if he did not collect taxes for them.

Section 151.180, RSMo, requires the County Collector to collect all railroad taxes and Section 151.280, RSMo, requires the County Collector to withhold and pay a 1 percent commission on these taxes to the county's General Revenue Fund. Section 153.030, RSMo, requires utility taxes to be levied and collected in the same manner as railroad taxes. The collection of surtax, including those amounts distributed to the cities, is a statutory responsibility of county collectors under Section 139.600, RSMo, and commissions retained on surtax collections should be distributed to the county's General Revenue Fund.

Recommendation

The County Collector discontinue personally retaining commissions withheld on surtax and railroad and utility taxes and distribute these collections in accordance with state law.

Auditee's Response

I will discuss this recommendation with legal counsel and take it under advisement.

4. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The County Clerk, County Collector, County Treasurer, County Assessor, Recorder of Deeds, Public Administrator, and Sheriff have not established

adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to use passwords with a minimum number of characters and/or change passwords periodically. In addition, the County Collector and his employees share the same password.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to contain a minimum number of characters or do not have to be periodically changed in certain offices and are shared by employees in the County Collector's office, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, changed periodically, and contain a minimum number of characters to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our 2 prior audit reports.

4.2 Security controls

Security controls are not in place to lock computers in the offices of the County Clerk, County Collector, County Treasurer, County Assessor, Recorder of Deeds, or Sheriff after a specified number of incorrect logon attempts or after a certain period of inactivity.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with the other county officials to:

4.1 Require each employee to have a confidential password with a minimum number of characters that is periodically changed.

4.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts or after a certain period of inactivity.

Auditee's Response

We will work with all county officials to implement these recommendations.

5. Personnel Policies

The County Commission has not adopted formal policies regarding the maximum amount of compensatory time allowed to be accrued for all employees to ensure policies are in accordance with the Fair Labor Standards Act (FLSA). Three Road and Bridge employees exceeded 240 hours of compensatory time as of December 31, 2017. As of August 20, 2018, two of these employees still had balances in excess of 240 hours with one having a balance of 341 hours and the other a balance of 351 hours. The third employee had no remaining hours. The FLSA allows emergency personnel to accrue 480 hours of compensatory time while 240 hours of compensatory time can be accrued for non-emergency personnel.

Complete and up-to-date personnel policies are necessary to ensure compliance and equitable treatment of employees and should address pertinent issues such as compensatory time and employment of related employees. Policies should also comply with applicable state or federal requirements.

Recommendation

The County Commission revise the personnel policies to adequately address compensatory time.

Auditee's Response

We will continue to monitor compensatory time balances and look into procedures to address any balances that exceed 240 hours. These 2 employees have been paid their excess compensatory time. This situation was due to flooding that occurred in 2017. We will discuss the need to make a formal change to our policy.

Howell County
Organization and Statistical Information

Howell County is a county-organized, third-class county. The county seat is West Plains.

Howell County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 105 full-time employees and 20 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

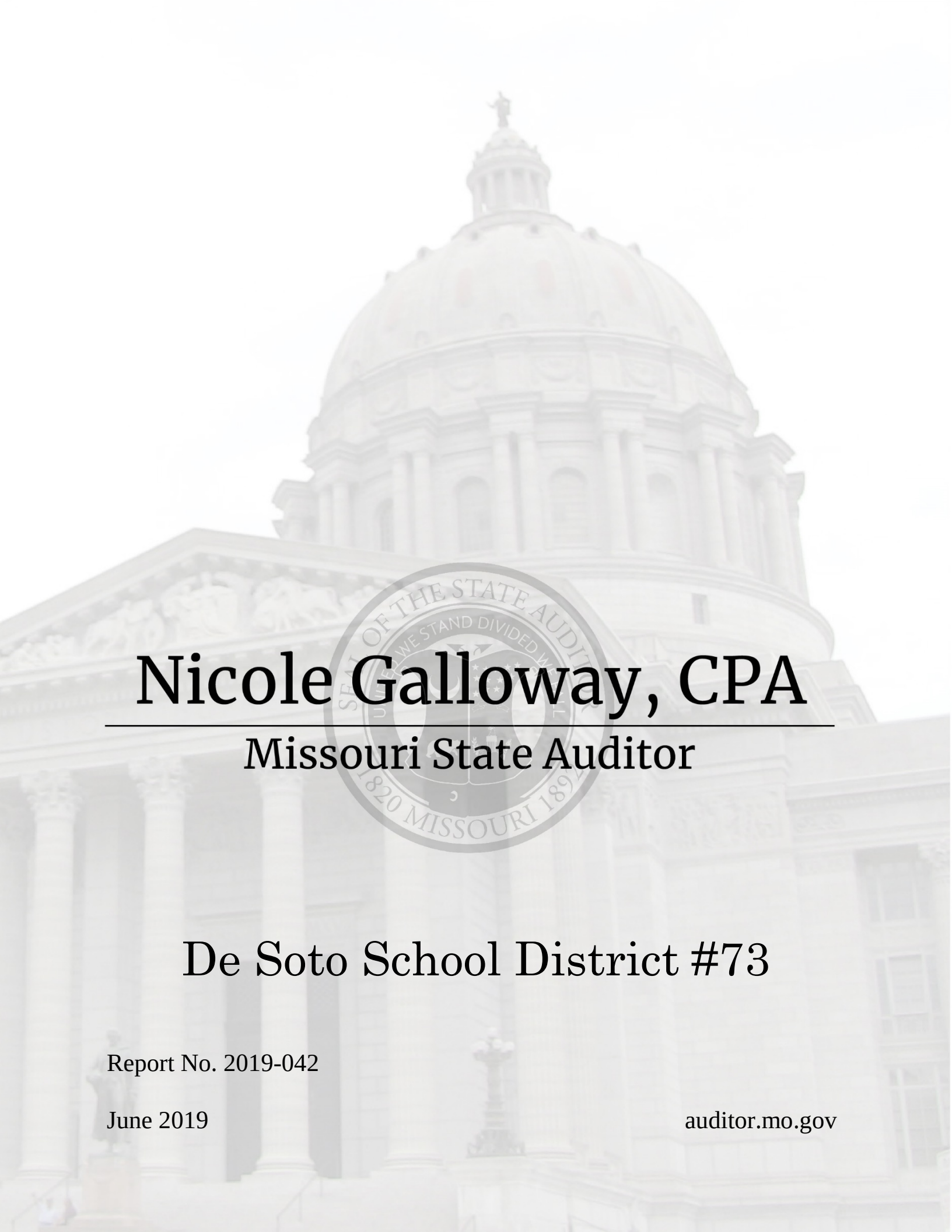
Officeholder	2018	2017
Mark B. Collins, Presiding Commissioner	$	36,198
Bill Lovelace, Associate Commissioner		33,915
Billy Sexton, Associate Commissioner		33,915
Jeffrey (Jeff) Brasier, Recorder of Deeds		47,104
Sharon Trowbridge, Recorder of Deeds (1)		4,282
Dennis K. Von Allmen, County Clerk		51,386
Michael P. Hutchings, Prosecuting Attorney		62,805
James M. (Mike) Shannon, Sheriff		57,095
Nancy Franz, County Treasurer		51,386
James T. Tim Cherry, County Coroner		18,271
John Pruett, Public Administrator		51,386
Larry Spence, County Collector (2), year ended February 28,	84,046	
Daniel Franks, County Assessor, year ended August 31,		51,386
Ralph Riggs, County Surveyor (3)		

(1) Sharon Trowbridge served as Recorder of Deeds until January 31, 2017.
(2) Includes $32,673 of commissions earned for collecting city property taxes.
(3) Compensation on a fee basis.

Financing Arrangements

The county entered into a lease-purchase agreement with the Public Building Corporation of Howell County (corporation) on August 24, 2017. The terms of the agreement called for the corporation to obtain a loan of $155,000 for

the purpose of acquiring a building for road and bridge maintenance and for the corporation to lease the facility back to the county for payments totaling the principal, interest and administrative costs due on the outstanding loan. The loan is scheduled to be paid off in December 2032. The remaining principal and interest due at December 31, 2017, was $155,000 and $36,686, respectively.



Nicole Galloway, CPA

Missouri State Auditor

De Soto School District #73

Report No. 2019-042

June 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of De Soto School District #73

District Compensation	District employees received stipends not included on Board of Education approved salary schedules. December 2017 professional development stipends may be unreasonable and some were unsupported. Some manual calculations to determine compensation were not reviewed for accuracy resulting in overpayments. Hours recorded in the district time clock system for classified employees are not always used to support their compensation and overtime hours are not always recorded in the time clock system to support overtime payments. The district has no documented basis for the Superintendent's $500 monthly vehicle allowance and did not report the extra compensation on his W-2 form. The district does not calculate and report the value of personal (commuting) mileage on employee W-2 forms as a fringe benefit.
Personnel Procedures, Records, and Policies	Several of the district's personnel procedures are not performed in accordance with Board policy. Accumulated compensatory time balances are not adequately tracked. The district does not always document how teacher absences are filled.
Cash Handling and Accounting Controls and Procedures	Weaknesses exist in receipting, transmitting, and depositing monies received at some schools. Accounting controls for district athletic events and concession sales need improvement.
Procurement Procedures, Contracts, and Disbursements	The district did not maintain documentation supporting some procurement decisions and did not always retain quotes received. The district has not periodically solicited proposals for legal services or formally evaluated those services. The district does not always monitor contracts effectively or enter into written contracts when appropriate. Disbursement documentation was not adequately detailed and mileage reimbursements were not always submitted timely. The district did not prepare 1099-MISC forms for payments to its law firm or 3 medical service vendors.
Budgets	The Board did not amend the district's budget prior to or when actual disbursements exceeded budgeted amounts.
Closed Meeting Minutes	The Board did not document its discussion of all topics listed as reasons for going into closed session.
Vineland Elementary Booster Organization	The Vineland Elementary Booster Organization (VBO) maintained funds in a bank account outside the district's control. The VBO did not consistently document meeting minutes and the meeting minutes were incomplete.
Homebound Attendance	The district incorrectly reported the attendance of homebound students for the 2017-2018 school year. In addition, records maintained to document homebound instruction provided were not sufficient.
Emergency Drills	The district did not have sufficient documentation to demonstrate that all required emergency drills were performed in accordance with policy.
Capital Assets and Fuel Use	The district did not record all capital asset purchases. The district did not reconcile fuel logs to fuel billings during the 2017-2018 school year.

Cafeteria Meals Charges	The district has not updated Board policy to agree with current procedures and did not always monitor collection activity on student cafeteria meal charges.
Subsequent Event	In April 2019, subsequent to our exit conference, the district was notified of irregularities in the handling of student meal monies at one school. A vendor employee opened envelopes that contained student meal monies, recorded the receipts in the accounting system, and prepared the deposit without a sufficient supervisory review.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

De Soto School District #73
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Board of Education
De Soto School District #73

The State Auditor was petitioned under Section 29.230, RSMo, to audit the De Soto School District #73. We have audited certain operations of the district in fulfillment of our duties. The district engaged Daniel Jones & Associates, Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2018. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.

2. Evaluate the district's compliance with certain legal provisions.

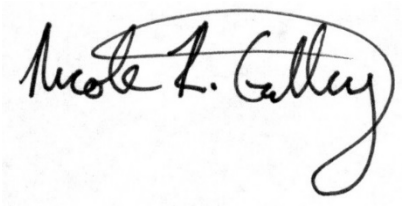
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the De Soto School District #73.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Chris Vetter, CPA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	Sheldon Hayes
	Rachel Cline, M.S. Acct., CPA
	Dacia Rush, M.Acct., CFE

1. District Compensation

We identified problems with the documentation, approval, and reasonableness of the compensation for various district employees.

District compensation totaled approximately $16.4 million for the 2017-2018 school year and $16.7 million for the 2016-2017 school year.

1.1 Stipends, supporting documentation, and manual calculations

District employees received stipends not included on Board of Education approved salary schedules (i.e. employee or extra-duty). December 2017 professional development stipends may be unreasonable and some were unsupported. In addition, some manual calculations made to determine compensation were not reviewed for accuracy resulting in overpayments.

- Stipend payments totaling approximately $192,000 for the 2017-2018 school year were not included on Board approved salary schedules. These stipends included additional pay for homebound instruction, grant collaboration, family/grandparent night, training and workshops, and additional tasks or support. The Superintendent indicated the stipends were included in the Board approved budgets, but the amounts were only included in total and/or did not list the individual stipend amount.

- In August 2017, the Board approved a $600 professional development stipend for all full-time staff completing a minimum of 6 hours of professional development tasks/work items by December 1, 2017. The rate of $100 per hour for the minimum required hours far exceeded most staff's approved hourly rate of pay. In addition, staff were required to complete the professional development during non-school hours (i.e. mornings, evenings, or weekends). However, supporting documentation did not always indicate the task or work item performed or the time when the professional development was completed. The stipends totaled approximately $206,000 for the 2017-2018 school year.

- Manually calculated payments to 2 of 47 employees were inaccurate. We reviewed 47 personnel files and related payroll disbursements for the 2017-2018 and 2016-2017 school years. One employee was paid twice for the same day's work after changing to a new position. As a result, the employee was overpaid $101. The other employee was paid twice for 12 sick leave days. Board policy requires annual payment of accumulated sick days over 150. The employee was overpaid for 12 sick days at a rate of $50 per day, or $600.

All compensation should be approved by the Board and included on salary schedules as necessary to ensure all employees are treated fairly and equitably and salaries are calculated consistently and are reasonable. In addition, adequate supporting documentation should be maintained to support all compensation and review of payroll disbursements is necessary to ensure all payroll transactions are accurate and accounted for properly. Without detailed

reviews of payroll documentation there is less assurance payments to employees are accurate.

1.2 Time reporting

Hours recorded in the district time clock system for classified employees are not always used to support their compensation. In addition, overtime hours are not always recorded in the time clock system to support overtime payments.

Classified employees are required to record their time in and out in the electronic time clock system, but the hours recorded in the system are not used to support their pay. Instead, the employees' established annual compensation is divided into 12 monthly payments. During our review we noted 14 employees, primarily custodial and maintenance staff, who received their full monthly compensation despite having less than 40 hours per week recorded in the time clock system.

In addition, because overtime is not always recorded in the time clock system, there was no way to verify the accuracy of overtime payments. For several of the same custodial and maintenance staff, overtime was manually approved on a payroll department change form. However, this form did not include the days the overtime was earned and/or the timeframe worked. Overtime payments totaled approximately $14,000 for the 2017-2018 school year.

According to a district official, the district has implemented a new time clock system for the 2018-2019 school year and employee compensation will be paid based on the hours recorded in the system.

To adequately account for all payroll expenses and ensure the accuracy of hours worked, the district should fully use its time clock system. In addition, the Fair Labor Standards Act (FLSA) requires records of actual time worked by employees be maintained.

1.3 Superintendent vehicle allowance

The district has no documented basis for the Superintendent's $500 monthly vehicle allowance and did not report the extra compensation on his W-2 form. The vehicle allowance, which is included in the Superintendent's contract, is intended to compensate him for driving his personal vehicle to conduct district business. Using the district's mileage rate of $0.485 per mile, the Superintendent would have to travel approximately 1,000 miles per month or 33 miles per day to equal the allowance.

The Internal Revenue Service (IRS) specifically requires expenses not accounted for to the employer to be considered as gross income and payroll taxes to be withheld from the undocumented payments. In addition, the district should periodically review the reasonableness of the vehicle allowance paid and, if necessary, adjust the allowance to reasonably reflect the actual expenses incurred by the Superintendent.

1.4 Personal use of vehicles

The district does not calculate and report the value of personal (commuting) mileage on employee W-2 forms as a fringe benefit. Three district maintenance and custodial staff, considered to be on call 24 hours a day, 7 days a week, are allowed to use district vehicles to commute to and from work. There were no logs or other accounting of the use of these vehicles.

IRS reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. Because procedures have not been established to ensure IRS regulations are followed, the district may be subject to penalties and/or fines for failure to report all taxable benefits.

Recommendations

The Board of Education:

1.1 Provide additional oversight and approval regarding compensation decisions and ensure all payments to employees are accurate and have adequate supporting documentation.

1.2 Ensure the time clock system is used to support all compensation.

1.3 Ensure the Superintendent's vehicle allowance is subject to payroll taxes and properly reported on W-2 forms. The Board should also review the vehicle allowance paid to the Superintendent and set the allowance to reasonably reflect the actual expenses incurred.

1.4 Ensure personal (commuting) mileage is reported in accordance with IRS guidelines.

Auditee's Response

1.1 This matter is resolved. Future compensation, including stipends, will be made pursuant to Board approved salary schedules. Future payments for extra-duty positions and sick leave will continue to be properly documented.

1.2 This matter is resolved. The district self-identified the need to address the time clock system prior to this audit. The time clock is already fully operational and will ensure hourly employees are appropriately paid.

1.3 This matter is resolved. The Superintendent's contract was renegotiated in January 2019 and the car allowance was removed as a specific item of compensation.

1.4 This matter is resolved. The W-2 forms for all employees using district vehicles will reflect personal commuting mileage as a fringe benefit.

2. Personnel Procedures, Records, and Policies

District personnel procedures, records, and policies need improvement.

2.1 Procedures not consistent with policies

Several of the district's personnel procedures are not performed in accordance with Board policy.

- The district allows employees to earn overtime and compensatory time for hours in excess of 8 hours per day. Board Regulation 4221 and the FLSA require overtime or compensatory time for any hours in excess of 40 hours per week. In addition, prior approval of overtime and compensatory time is not always documented as required by district Form 4221.

- Contracts for administrators employed on 12-month contracts did not always include provisions for employee vacation as required by Board Policy 4330.

- New employees, at hire, are awarded the total amount of sick leave due for the remainder of the year. Board Regulation 4320 requires new employees earn leave at a rate of one day per month during their first year.

- The district paid mileage reimbursement at a rate of $0.485 for the 2017-2018 school year as shown on the district's approved mileage reimbursement form. Board Regulation 3440 allowed mileage reimbursement at a rate of $0.30 per mile. The regulation was updated in August 2018 to officially make the reimbursement rate $0.485 per mile.

Since district policies govern operations, it is important that the policies be maintained in an accurate, up-to-date manner, and are adequately communicated to district employees. If out-of-date, policies should be updated to reflect the district's intended and actual practices.

2.2 Compensatory time

Accumulated compensatory time balances are not adequately tracked. The district time clock system automatically calculates hours worked beyond the normal 8 hour day and reports total compensatory time for the month. However, accumulated hours are not maintained unless manually tracked by the individual employee.

Without centralized records, the district cannot ensure employee compensatory time balances are accurate and comply with Board Regulation 4221 and the FLSA.

2.3 Unfilled absences

The district does not always document how teacher absences are filled. As a result, it is not evident whether students are receiving instruction from certified personnel.

When a teacher is absent, substitute teachers are employed and applicable information about that teacher's hours are entered into the district's attendance system to support the substitute's teacher compensation. However, if the district cannot locate a substitute teacher the system indicates an unfilled absence. A district official indicated when a substitute teacher cannot be found, the unfilled absence is either filled by a paraprofessional or the class is split (i.e. students are split up between the other classes of the same grade). However, district officials do not record this information in the attendance system. As a result, attendance for students placed in other classes is not counted and there is no record of whether the student was under the supervision of a certified professional, which can impact state funding. For the 2017-2018 school year, we identified 204 unfilled teacher absences in the district's attendance system.

State teaching rules require proper certification to provide instruction to students. In addition, state attendance reporting requirements indicate "students must be in attendance in an instructional capacity under the direct supervision of a certificated employee of the district to be counted for attendance purposes." To alleviate any concerns that students may be receiving instruction from staff not qualified and certified by the DESE and to ensure students are properly counted for attendance purposes, documentation should be maintained showing how all teacher absences are filled.

Recommendations

The Board of Education:

2.1 Ensure compliance with district policies or revise policies as needed.

2.2 Ensure centralized compensatory time records are maintained for all district employees.

2.3 Document how all teacher absences are filled.

Auditee's Response

2.1 This matter is resolved. The district will continue to comply with its Board policies. The matters identified in the narrative of 2.1 are resolved per the adoption of the time clock system, modification of administrator contracts, and (as noted above) the previous revision of the mileage reimbursement rate set out in Regulation 3440.

2.2 This matter is resolved. The district self-identified the need to address the time clock system prior to this audit. The time clock is already

fully operational and will ensure the centralization of records related to the accrual of compensatory time.

2.3 This matter is resolved. The district manages its procurement of substitute teachers through an online automated system, which does not allow for manual selection of individuals. Where the system does not automatically reflect the certificated staff member serving as substitute, manual notations will be made in the online system as documentation.

3. Cash Handling and Accounting Controls and Procedures

Improvements are needed in the handling of student and athletic fees and concession monies. These receipts are at greater risk because a large portion is received in cash, and there are a variety of handling and record-keeping methods throughout the schools. As a result of numerous control weaknesses, there is less assurance these monies have been handled and accounted for properly. In April 2018, we reviewed cash controls and procedures at all district schools.

3.1 Receipt procedures

Weaknesses exist in receipting, transmitting, and depositing monies received at some schools.

Receipt slips

School district employees do not consistently issue receipt slips. In addition, supporting documentation for receipts is not always accurate or complete and not always provided with the transmittals to school secretaries.

- Receipt slips are not issued at Athena or Vineland Elementary schools for monies received or transmitted. In addition, receipt slips are not always issued at the Junior or Senior High schools and the composition (cash, check, or money order) of the receipt was not always noted.

- Receipts are sometimes transmitted to the school secretary by several employees (teachers and activity sponsors) before deposit and adequate documentation is not always provided (receipt slips or receipt log) to support these transmittals. We identified this weakness at Athena and Vineland Elementary schools, and the Junior and Senior High schools.

  For example at Athena Elementary, receipt logs maintained by teachers to track student milk money collections were not turned over to the school secretary with each transmittal. In addition, the receipt logs did not indicate the composition of collections.

As a result, deposits could not be reconciled to supporting documentation.

Restrictive endorsement and depositing timely

Employees do not always restrictively endorse checks immediately upon receipt and receipts are not always transmitted or deposited timely or intact.

- Checks received were not always endorsed at the Junior and Senior High schools. Checks collected by cafeteria workers and prepared for deposit at the Junior High School were not endorsed. In addition, checks collected at the Senior High School for track/wrestling meet fees, summer camp fees, and a soccer fieldtrip were not endorsed.

- Receipts are not always transmitted or deposited timely or intact. For example, during our cash count at Athena Elementary on April 23, 2018, we noted the deposits of milk and choir t-shirt monies collected included checks from January 2018. In addition, during our cash count at the Senior High School on April 24, 2018, we noted track/wrestling meet fees collected from February 2018. A district official indicated the monies were not to be deposited until after the event was held April 2018.

Reconciliation and oversight

Vineland Elementary School staff did not always complete and review the District Cash Verification Form (DCVF) in accordance with District Cash Verification Procedures. District employees are required to complete a DCVF for each district event where monies are collected. The event, date, and start-up monies are recorded on the form before the event and a cash reconciliation is recorded on the form after the event. For one of two deposits reviewed, Section III of the DCVF was not completed showing the composition of the receipts. In addition, for this deposit and the other one reviewed, the cash counted was not verified by a second employee and school administration (e.g. principal).

Conclusion

To properly account for all receipts and ensure monies are accounted for properly and deposited, official prenumbered receipt slips should be issued in numerical order for all monies received, and the method of payment should be recorded on receipt slips and reconciled to the composition of receipts recorded on the DCVF and deposits or transmittals. In addition, checks should be restrictively endorsed upon receipt and DCVFs should be properly completed and verified in accordance with district procedures. The failure to transmit and deposit monies intact and timely and properly document such procedures increases the risk of loss, theft, or misuse of funds.

3.2 Event gate and concessions

Accounting controls for district athletic events and concession sales need improvement. Tickets are not issued to attendees of district athletic events. Instead, for indoor events such as basketball games, tally sheets are used to count attendees and reconcile collections to deposits. The tally sheets are not used for outdoor events such as football games. Without some method of determining attendance, there is no way for the district to reconcile outdoor event collections to deposits and ensure all receipts are deposited. A district official indicated that outdoor events have too many points of entry to accurately count all attendees. The district collected approximately $29,000 in admissions fees for the 2017-2018 school year.

The district does not reconcile concession sales to deposits, nor require inventory records of concession items purchased, sold, and on hand to be maintained and reconciled to concession monies collected. The district collected approximately $52,000 in concession sales for the 2017-2018 school year.

To properly account for all event gate and concession receipts and ensure monies are accounted for properly and deposited, tickets should be issued or tally sheets used to account for attendees and concession sales reconciled to deposits. In addition, an inventory of concession merchandise purchased, sold, and on hand should be maintained and reconciled to collections.

Recommendations

The Board of Education:

3.1 Ensure monies are properly receipted, deposited timely and intact, and receipts are reconciled to the composition of deposits. In addition, checks should be restrictively endorsed upon receipt and DCVFs should be properly completed and verified.

3.2 Ensure gate monies deposited for all events are reconciled to the number of people paying and amounts collected for concessions are reconciled to deposits and changes in concession inventory.

Auditee's Response

3.1 This matter is resolved. The district is endorsing and depositing all checks for events, issuing numerical receipt slips, and reconciling deposits/transmittals per the DCVF.

3.2 This matter is resolved. As of the 2018 winter season, the district implemented tally sheets to track gate attendance and will continue that practice. The district is currently identifying electronic tools to track and reconcile attendance versus deposits and concession inventory purchase versus deposits and changes in inventory.

4. Procurement Procedures, Contracts, and Disbursements

District procurement, contracting, vendor monitoring, and disbursement procedures and practices need improvement.

4.1 Procurement procedures

The district did not maintain documentation supporting some procurement decisions and did not always retain quotes received.

- For the 2017-2018 school year, the district requested and received quotes for several services including occupational therapy and diagnostic services. Four vendors quoted prices lower than the vendor awarded the

occupational therapy contract and 2 vendors quoted lower prices than the vendor awarded the diagnostic services contract. A district official indicated the Board received recommendations for the selected vendors based on the district's past experience with the vendors, information from officials with other school districts familiar with the vendors, and/or the location of the vendors' operations (i.e. local vs. out-of-state). However, documentation could not be provided to support this information. The district paid $98,919 for the occupational therapy services and $64,131 for the diagnostic services for the 2017-2018 school year.

- The district could not locate some quotes solicited and received for student counseling services provided for the 2017-2018 school year. The district found the quote from the vendor awarded the contract, but not for other vendors. A district official indicated at least one other vendor provided the district a quote for the student counseling services. The district paid $15,000 for these services over the term of this contract.

Adequate documentation should be retained to support quotes received, the evaluation of the quotes, and the reasoning for the selected vendor to provide support if questions arise regarding the procurement process.

4.2 Legal services

The district has not periodically solicited proposals for legal services or formally evaluated those services. The district has used the same law firm for the last 13 years. The district paid approximately $23,000 for legal services during the 2017-2018 school year.

Board Policy 3180 allows the district to procure professional services, including legal services, without annually bidding such services, if district officials believe the quality of service, cost and working situation are acceptable. However, the Board did not periodically perform an evaluation of legal services provided to demonstrate the vendor met these criteria.

Periodically soliciting proposals for professional services is a good business practice, and, at a minimum, the district should periodically evaluate the services provided to ensure they are acceptable to justify continuation.

4.3 Contract compliance

The district does not always monitor contracts effectively or enter into written contracts when appropriate. We reviewed 11 purchased service contracts with disbursements totaling over $1.4 million for the 2017-2018 school year.

- The district did not enter into a signed written contract for occupational therapist services. While the Board approved the vendor's selection, the district could not locate a signed contract.

- Some contracts reviewed were incomplete and did not adequately define each party's responsibilities. The occupational therapy services proposal

did not include the rate of pay for a Certified Occupational Therapy Assistant. The vendor received $60 per hour for this service.

In addition, the diagnostic services contract did not stipulate the mileage reimbursement rate; however, mileage was reimbursed by the district at $0.485 per mile.

Also, a contract the district entered into with another school district to provide a student services in accordance with the student's Individualized Education Program did not include the cost of tuition to be paid by the De Soto School District and had an outdated schedule of related services costs. The district paid $10,620 for this student's tuition for the 2017-2018 school year.

- The district did not maintain fully executed copies of 3 of 10 service contracts reviewed. In addition to student counseling services previously discussed, the district did not maintain fully executed contracts for educational programming and deaf services. The district paid approximately $25,900 for educational programming services and $30,125 for deaf services for the 2017-2018 school year.

- The district did not ensure all contract deliverables were met. The student counseling service contract required the vendor provide the district copies of documents related to the services provided; however, the district could not provide this information upon our request.

  In addition, the educational programming contract required the vendor to provide signed invoices and attendance records. The invoices and attendance records provided to the district by the vendor were unsigned.

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure district monies are used appropriately and effectively. Closely monitoring contractor performance and compliance with contract terms is important to ensure limited district resources and assets are used wisely and that expectations of the Board and the public are met. Section 432.070, RSMo, requires contracts for political subdivisions be in writing.

4.4 Disbursements

Our review of disbursements identified several concerns. We tested 40 district disbursements totaling approximately $167,000 for the 2017-2018 school year, as well as applicable disbursements associated with the purchased service contracts discussed in MAR finding number 4.3.

- Invoices submitted to the district for payment were not always adequately detailed limiting the district's ability to review them for reasonableness and accuracy.

  Invoices for legal services did not adequately detail each service, the number of hours, or rate charged. Rather, the invoice only included the total hours and costs for the month billed. Invoices for diagnostic services did not adequately detail the services provided by student, or the applicable mileage driven to provide these services. The invoice only included the total hours and miles for the month.

- Documentation provided by the nutrition services vendor for "other costs" was not adequate. These costs were only summarized by category (e.g. vehicle expenses, meals and entertainment, supplies, training, miscellaneous, etc.) for the month billed and supporting documentation for these disbursements was not submitted to the district for review. The total amount paid by the district for "other costs" in the 2017-2018 school year was approximately $40,700.

- Mileage reimbursements were not always submitted timely for payment. One invoice reviewed included employee travel between August 2017 and December 2017, totaling $165.

To ensure prudent and proper use of district funds, requests for reimbursements and payments should only be approved when adequate supporting documentation is submitted with the requests. Only by receiving detailed supporting documentation for reimbursements and payments can the district ensure the amounts claimed for reimbursement and payment are legitimate and accurate, and comply with district reimbursement and disbursement policies. In addition, claims for mileage should be submitted by district staff monthly for reimbursement.

4.5 Form 1099-MISC

The district did not prepare IRS Form 1099-MISC for payments to its law firm or 3 medical service vendors for the year ended December 31, 2017. During the year, the district paid approximately $30,300 for legal services, $80,000 for speech/occupational therapy services, $10,000 for student counseling, and $18,700 for private duty nursing services.

Sections 6041 through 6050W of the Internal Revenue Code require non-wage payments of at least $600 in one year for professional services or for services performed as a trade or business by non-employees (other than corporations, except for medical and legal services), be reported to the federal government on 1099-MISC forms. To ensure compliance with IRS requirements, the district should ensure these forms are prepared and issued in all applicable instances.

Recommendations

The Board of Education:

4.1 Ensure adequate documentation is maintained to support procurement decisions.

4.2 Ensure legal services are periodically solicited or formally evaluated to support a decision to continue with such services.

4.3 Establish procedures to properly monitor contract requirements and enter into written contracts defining services provided and benefits received.

4.4 Ensure invoices received for payment are adequately detailed to support the district's review. In addition, the Board should ensure employee mileage reimbursement requests are submitted for payment monthly.

4.5 Ensure payments totaling greater than $600 to non-employees and businesses are properly reported to the IRS. The district should file amended 1099-MISC forms for past years.

Auditee's Response

4.1 This matter is resolved. The district notes that the procurement decisions cited in this section relate to professional services, which are not required to be competitively bid. The district will ensure future procurement decisions as to the "lowest and best" bid are documented where final selection is not the lowest bidder.

4.2 The district will periodically evaluate the acceptability of its legal services pursuant to Board Policy 3180 as appropriate.

4.3 This matter is resolved. The district has established a process to ensure written contracts are executed and maintained in a central location. Written contracts will identify all essential terms, including deliverables, and cost per unit.

4.4 This matter is resolved. Written contracts will identify all essential terms, including deliverables and cost per unit. Vendors will be required to submit invoices aligning with these contract terms. Employees will be directed to submit mileage reimbursement requests monthly, absent exigent circumstances.

4.5 The matter is resolved. The district will ensure 1099-MISC forms are issued in all applicable instances as determined by its local auditor and/or tax professionals.

5. Budgets

The Board did not amend the district's budget prior to or when actual disbursements exceeded budgeted amounts. For the year ended June 30, 2018, actual disbursements exceeded budgeted amounts by $409,615 for the General Fund and $123,293 for the Debt Service Fund.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted, but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. Proper budget amendment prior to disbursing funds is necessary for the budget to be an effective management tool and comply with state law.

Recommendation

The Board of Education ensure the budgets are amended prior to actual disbursements exceeding budgeted amounts.

Auditee's Response

The matter is resolved. The circumstances related to the disbursement versus budgeted amounts arose from unique circumstances in the district's Self Fund Health Insurance expense. The debt service fund matter resulted from an opportunity the district took advantage of during favorable bond market conditions (lower interest rates) that resulted in a savings of $2,292,050 by refunding SE2015A Bonds early in fiscal year 2018. This unique refunding opportunity was non-routine as the district does not participate in similar transactions on an annual basis. Any future similar circumstances will result in an amended budget.

6. Closed Meeting Minutes

The Board did not document its discussion of all topics listed as reasons for going into closed session. For example, the November 16, 2017, and January 18, 2018, open meeting minutes indicated a closed meeting would be held to discuss topics including the "lease, sale or purchase of real estate." However, the closed meeting minutes did not document any discussion of real estate. District officials indicated topics discussed but not voted on are not documented in the closed meeting minutes. However, our review of closed meeting minutes identified documentation of topics discussed when no vote occurred.

Section 610.022, RSMo, mandates the discussion topics and actions in closed meetings must be limited to only those specifically allowed by law, requires the specific reasons for closing a meeting by citation to a specific section of the Sunshine Law be announced publicly at an open meeting, and requires documentation of the roll call votes to enter closed meetings in public minutes. To ensure compliance with state law and the public is accurately informed, the Board should only cite reasons for going into closed session it plans to discuss.

Recommendation

The Board of Education ensure the specific statutorily allowed reasons for closing a meeting are documented.

Auditee's Response

The matter is resolved. The district will ensure minutes from closed meetings comply with the Sunshine Law and are consistent in the matters recorded.

7. Vineland Elementary Booster Organization

The Vineland Elementary Booster Organization (VBO) did not always comply with Board regulations.

7.1 Bank account

The VBO maintained funds in a bank account outside the district's control. According to the April 12, 2018, meeting minutes, the balance of this account was $1,395.

Board Regulation 1490 regarding relations with booster clubs states that "the Superintendent or a designee has approval authority over booster clubs . . . and appropriate school accounting practices must be followed with oversight through the district Bookkeeper." Board regulations further indicate all receipts are to be deposited in the district's account and separate bank accounts are not allowed for any organization as the district is custodian of all funds.

To adequately safeguard district assets from loss, theft, or misuse all district funds should be controlled by the district and reviewed by the district bookkeeper in accordance with district policy.

7.2 Meeting minutes

The VBO did not consistently document meeting minutes and the meeting minutes were incomplete. Meeting minutes were only maintained for 5 of 22 meetings held between January 2016 and May 2018. For most of the other meetings, the minutes consisted only of handwritten notes written on the meeting agenda. In addition, the VBO's agendas and meeting minutes did not include the time and meeting place and the meeting minutes were not signed by the preparer or reviewed and approved ensuring the minutes represented a correct record of the matters discussed and actions taken during the meetings.

Board Regulation 1490 indicates booster clubs should have procedures to "plan and publicize meetings" and "properly take, distribute, and file meeting minutes." The regulation further states meetings "should be open to the public" and "minutes should be taken at each meeting and kept on file at the school."

Inadequate meeting minutes can lead to subsequent uncertainty as to the VBO's intentions and possible incorrect interpretation of the VBO's actions by the district, general public, or other outside entities.

Recommendations

The Board of Education:

7.1 Ensure any booster club bank accounts are closed and all funds are transferred to the district in accordance with Board regulations.

7.2 Ensure booster clubs maintain complete, accurate, and approved agendas and meeting minutes for all meetings in accordance with Board regulations.

Auditee's Response

7.1 This matter is resolved. The booster club bank account is closed and all funds are aligned with Board policies.

7.2 This matter is resolved. Booster club meetings are appropriately documented with an agenda and minutes.

8. Homebound Attendance

The district incorrectly reported the attendance of homebound students for the 2017-2018 school year. In addition, records maintained to document homebound instruction provided were not sufficient. In total, the district recorded approximately 1,600 hours of homebound instruction and reported approximately 1,900 days of homebound attendance to the Missouri Department of Elementary and Secondary Education (DESE).

DESE attendance reporting requirements indicate homebound instruction may be provided to students "so medically fragile that they cannot attend school . . . homebound students may be counted for full attendance if the student has received a minimum of 5 hours of one-on-one instruction per week by a certificated teacher (Sunday thru Saturday). If the instruction is below 5 hours then the student's attendance is only based on actual hours of instruction . . . "

District records supporting instruction provided to homebound students were summarized by month instead of by week, making it impossible to directly compare the records to weekly attendance reported to the DESE. However, during our review of available records we noted that 18 students reported to the DESE as receiving homebound instruction were not actually provided any homebound instruction. In addition, another 23 students did not likely receive the required 5 hours per week of instruction to justify full attendance.[1] As a result, an estimated 876 of the 1,900 (46 percent) district homebound attendance days may have been over reported to the DESE. Because attendance hours are used to determine state funding, in part, the overstated student attendance hours would have resulted in approximately $30,000 in excess state funding.

[1] Total hours of instruction did not average 5 hours per week.

Accurate attendance data is necessary to ensure the district complies with applicable state and federal guidelines and appropriately claims state funding.

Recommendation

The Board of Education ensure the district corrects attendance records for homebound attendance for the 2017-2018 school year and previous years as necessary to comply with DESE attendance reporting guidelines. In addition, the Board should ensure procedures are implemented to ensure future homebound attendance records are accurate and supported including maintaining weekly instruction hour records.

Auditee's Response

This matter is being resolved. The district is working with DESE to ensure accurate reporting of homebound attendance. The district has established new procedures to ensure the accuracy of weekly homebound records.

9. Emergency Drills

The district did not have sufficient documentation to demonstrate that all required emergency drills were performed in accordance with policy. We identified the following issues:

- The district could not provide documentation that a second earthquake drill was performed at the high school.
- There was no documentation a second quarter fire drill was performed at Vineland Elementary School. A district official indicated the fire drills were conducted in accordance with policy; however, two of the four drills were conducted in January 2018 instead of quarterly as required by policy.
- There was no documentation that 2 of 4 fire drills and a second earthquake drill were performed at Athena Elementary School. A district official indicated the additional Athena Elementary School drills were performed in August 2017, October 2017, and February 2018, but the employees that maintained documentation of the drills are no longer employed by the district.

Board Regulation 5240 requires the district conduct fire drills at each school in the first full week of the school year and quarterly thereafter and conduct two earthquake preparedness drills per school year. Properly planned, executed, and documented emergency drills are necessary, to the extent possible, to ensure the safety of all students, staff and visitors in district facilities. Supporting documentation of drills held is necessary to demonstrate compliance with Board regulations.

Recommendation

The Board of Education ensure sufficient documentation of emergency drills is maintained.

Auditee's Response

This matter is resolved. The district will continue to implement Board Regulation 5240 by performing fire drills at each school in the first full week of the school year and quarterly thereafter and conduct two earthquake preparedness drills per school year. Centralized documentation of performance of the drills will be maintained.

10. Capital Assets and Fuel Use

Controls and procedures over district property and fuel use need improvement.

10.1 Capital assets

The district did not record all capital asset purchases. At June 30, 2018, the district had approximately $53.8 million in capital assets. However, during our review of disbursements, we noted 2 of 7 capital asset purchases, a golf cart ($2,250) and a digital camera ($479), were not recorded in the district's capital assets records. District officials indicated these items were still in use by the district, but not added to the asset listing by building staff, as required, when the physical inventory was performed.

To ensure capital assets are properly accounted for and to help prevent theft or misuse of assets, capital asset records should be updated periodically. Adequate capital asset records are necessary to ensure better internal control over district property and provide a basis for determining proper insurance coverage on district property.

10.2 Fuel

The district did not reconcile fuel logs to fuel billings during the 2017-2018 school year. The district maintains 2 locked bulk fuel tanks at the transportation department and uses fuel logs showing the date, amount of fuel pumped, mileage, and the bus or vehicle obtaining the fuel to document fuel use. However, no comparison was performed between total gallons pumped, gallons purchased, and gallons on hand. The district purchased approximately $185,000 in fuel during the 2017-2018 school year.

Procedures for reviewing fuel use and reconciling use to fuel purchases (invoices) are necessary to ensure the reasonableness and propriety of fuel use and disbursements. The failure to promptly account for fuel use could result in theft and misuse going undetected.

Recommendations

The Board of Education:

10.1 Ensure complete and accurate capital asset records are maintained.

10.2 Ensure a documented periodic reconciliation of fuel purchased to fuel used is performed, with any significant differences investigated.

Auditee's Response

10.1 This matter is resolved. Both items identified in this section are added to the capital assets records.

10.2 This matter is resolved. The district will maintain current fuel use logs and reconcile to ensure appropriate fuel usage. As noted in the finding, access to fuel is restricted, and the district has no indication of misuse or theft of fuel.

11. Cafeteria Meal Charges

The district has not updated Board policies to agree with current procedures and did not always monitor collection activity on student cafeteria meal charges. In addition, district staff are allowed to accrue charges for meals. As of July 2018, outstanding balances totaled $42,734 for 1,103 student accounts and $1,130 for 78 staff accounts. Two student balances exceeded $1,000 each.

According to Board Policy 5550, elementary students are allowed to charge a maximum of $10 for meals, after which the student may be given a designated menu alternate; middle school students are allowed to charge $10 for meals, after which no additional charges are accepted; and high school students are allowed to charge one meal. However, according to the district's nutrition services vendor Board Policy 5550 was not followed for the 2017-2018 school year because only high school students meal purchases were limited by providing them an alternate lunch if they had a balance due of more than $5. District officials indicated they revised procedures for the 2017-2018 school year but have not updated the Board policy. Also, Board policy does not address whether staff members are allowed to incur outstanding balances for meal purchases or the collection of balances due.

If existing policies do not agree to current procedures and/or meet the intentions of the Board and the needs of the students, policies should be revised. Revised policies should address the Board's intentions and student needs, while allowing for the monitoring of outstanding balances due. Proper monitoring is necessary to provide information to the district when amounts are deemed uncollectible and should be written off.

Recommendation

The Board of Education establish and/or revise policies related to student and staff cafeteria meal charges. Policies should meet the needs of students and current intentions of the Board. The Board should monitor and resolve outstanding student cafeteria balances at year end.

Auditee's Response

The district will ensure the Board is aware of outstanding student cafeteria balances at the end of each school year to determine the need of addressing specific situations or revision of Board policy.

12. Subsequent Event

In April 2019, subsequent to our exit conference, the district was notified of irregularities in the handling of student meal monies at one school.

The district contracts with a vendor to provide food services in all of its schools. Services provided include meal preparation and the collection and management of payments received for meals. The district relies on this vendor

to have appropriate controls in place to ensure student meal monies are recorded and deposited. At one school, however, a vendor employee opened envelopes that contained student meal monies, recorded the receipts in the accounting system, and prepared the deposit without a sufficient supervisory review.

In accordance with Board Policy 3106, district officials, when notified about the irregularities, took immediate action to investigate the issue. They contacted the Jefferson County Sheriff's office and the Board held a special meeting to evaluate the concern and approved hiring a firm to conduct a forensic audit. The food service vendor also took action and removed the employee involved in the matter.

Prior to this incident, the district had already selected a new food service vendor through a competitive bidding process that will begin work in the next school year. School officials indicated they expect the forensic audit to be complete by that time and will consider any recommendations when working with the new vendor.

De Soto School District #73
Organization and Statistical Information

De Soto School District #73 is located in the eastern part of Missouri, covering parts of Jefferson, St. Francois, and Ste. Genevieve counties.

The district currently has one early childhood center, one preschool, two elementary schools (grades K-6), a junior high school (grades 7-8), and a senior high school (grades 9-12). Enrollment was approximately 3,100 students for the 2017-2018 school year. The district employed 481 full- and part-time employees, including 119 part-time substitutes (teachers, aids, custodians, nurses, and bus drivers) at June 30, 2018.

The De Soto School District #73 has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Members of the board at June 30, 2018, were:

Jeffrey Russell, President
Beverly Wilson, Vice-President
Mark Ferrell, Member
Tarrole Milfeld, Member
Gene Moses, Member
Lori McKee, Member
Pamela Midgett, Member

Superintendent

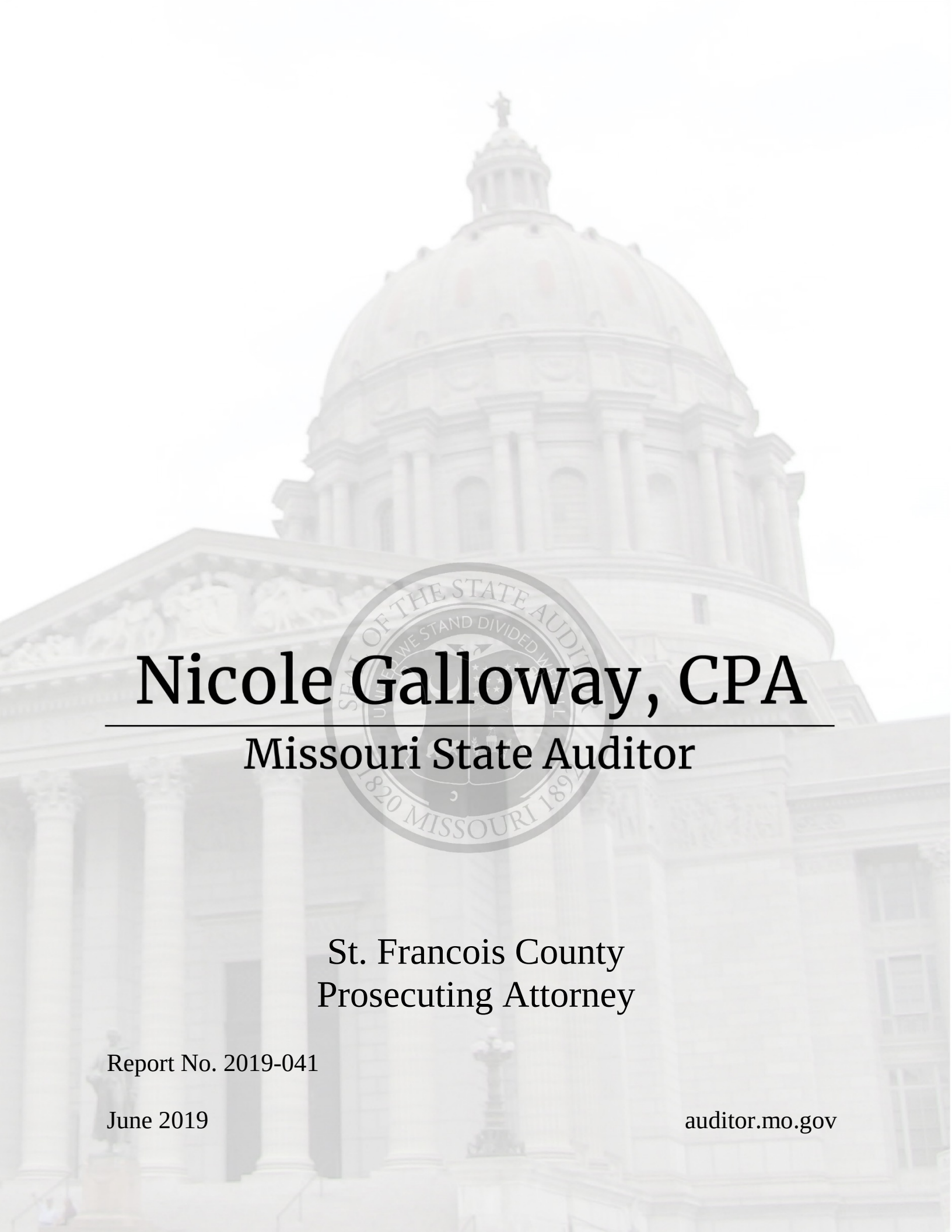
The district's superintendent at June 30, 2018, was Dr. Joshua Isaacson. His total compensation for the 2017-2018 school year was $143,248 including an annual salary and costs associated with health, dental, and vision insurance dependent coverage. In addition, Dr. Isaacson receives a $6,000 travel allowance ($500 per month). The superintendent's compensation is established by the Board of Education.

Financial Activity

A summary of the district's financial activity for the year ended June 30, 2018, follows.

De Soto School District #73
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2018

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Totals
REVENUES					
Local	$ 7,853,596	2,894,594	1,892,946	214	12,641,350
County	538,169	35,539	152,423	0	726,131
State	2,054,210	12,018,062	0	563,588	14,635,860
Federal	2,400,939	0	547,429	36,000	2,984,368
Other	648,183	0	8,905,495	3,529	9,557,207
TOTAL REVENUES	13,495,097	14,948,195	11,498,293	603,331	40,544,916
EXPENDITURES					
Instruction	3,146,060	13,814,088	0	52,431	17,012,579
Attendance	117,783	0	0	0	117,783
Guidance	13,478	529,124	0	2,152	544,754
Health services	209,340	0	0	1,546	210,886
Improvement of instruction	33,429	69,012	0	0	102,441
Professional development	144,433	192,986	0	0	337,419
Media services	739,195	299,043	0	58,373	1,096,611
Board of Education services	51,663	0	0	0	51,663
Executive administration	909,816	523,088	0	1,495	1,434,399
Building level administration	436,073	992,675	0	0	1,428,748
Operation of plant	2,708,773	0	0	53,978	2,762,751
Pupil transportation	1,440,319	0	0	280,840	1,721,159
Food services	1,110,412	0	0	0	1,110,412
Community services	134,529	12,986	0	0	147,515
Early childhood programs and instruction	273,532	101,745	0	0	375,277
Capital outlay	0	0	0	361,806	361,806
Debt Service:					
Principal retirements	0	0	831,500	451,397	1,282,897
Interest	0	0	1,099,290	36,988	1,136,278
Other charges	0	0	222,064	0	222,064
TOTAL EXPENDITURES	11,468,835	16,534,747	2,152,854	1,301,006	31,457,442
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,026,262	(1,586,552)	9,345,439	(697,675)	9,087,474
OTHER FINANCING SOURCES (USES)					
Transfers (to) from other funds	(1,937,698)	1,586,552	0	351,146	0
TOTAL OTHER FINANCING SOURCES (USES)	(1,937,698)	1,586,552	0	351,146	0
NET CHANGE IN FUND BALANCES	88,564	0	9,345,439	(346,529)	9,087,474
FUND BALANCE, BEGINNING OF YEAR	8,957,995	0	2,619,303	642,379	12,219,677
FUND BALANCE, END OF YEAR	$ 9,046,559	0	11,964,742	295,850	21,307,151



Nicole Galloway, CPA

Missouri State Auditor

St. Francois County
Prosecuting Attorney

Report No. 2019-041

June 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the St. Francois County Prosecuting Attorney

Background

The former Prosecuting Attorney, Jerrod Mahurin, began employment with the county in 2008, as an Assistant Prosecuting Attorney. On January 16, 2012, he was appointed as Prosecuting Attorney, and he was subsequently elected as Prosecuting Attorney, and served through December 31, 2018. In July 2018, the State Auditor's Office (SAO) received complaints through its Whistleblower Hotline alleging fiscal mismanagement within the St. Francois County Prosecuting Attorney's office. The SAO started an audit in September 2018, after authorization by the St. Francois County Commission.

Bonuses and Payroll Records and Policies

The Prosecuting Attorney approved year-end bonuses for all legal secretaries and the Office Manager in 2012, 2013, 2015, and 2017 totaling $21,400 contrary to state law. Timesheets and leave records were not prepared for the 4 Assistant Prosecuting Attorneys as required by the county's personnel policy, and 2 Assistant Prosecuting Attorneys received compensation for private attorney work performed on county time.

Disbursements

Various employees of the Prosecuting Attorney's office, including the Prosecuting Attorney, frequently did not comply with the county's reimbursement policy and many employee reimbursements were not a prudent or necessary use of public funds. The Prosecuting Attorney and his employees requested and received reimbursement of meals that exceeded the county's meal limit by $2,621, and in some instances requested meal reimbursements when meals were already provided. The Prosecuting Attorney allowed county-owned vehicles to be taken home by the Investigator and had not established procedures to adequately review and document the necessity and justification for their use.

Accounting Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need significant improvement. The Prosecuting Attorney had not adequately segregated accounting duties or performed supervisory reviews of accounting records. The Prosecuting Attorney had not established proper controls or procedures for receipting and transmitting monies. The Prosecuting Attorney frequently reduced or dismissed charges on traffic tickets by requiring defendants to make a donation, ranging from $150 to $500, to The BackStoppers, Inc. Improvement is needed to better monitor and pursue collection of receivables. The Prosecuting Attorney had not established adequate procedures to ensure restitution amounts owed by defendants and other case information was accurately entered into the computerized accounting system.

Electronic Data Security

The Prosecuting Attorney had not established adequate password controls to reduce the risk of unauthorized access to office's computers and data. Employees were not required to change passwords periodically.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

St. Francois County Prosecuting Attorney
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Prosecuting Attorney of St. Francois County

We have audited certain operations of the St. Francois County Prosecuting Attorney's office in fulfillment of our duties under Section 29.200.3, and Section 50.057, RSMo. Due to a complaint received through its Whistleblower Hotline alleging fiscal mismanagement, the State Auditor's Office initiated the audit with the approval of the St. Francois County Commission. The scope of our audit included, but was not necessarily limited to, the period from January 16, 2012, through December 31, 2018. The objectives of our audit were to:

1. Evaluate the Prosecuting Attorney's internal controls over significant management and financial functions.

2. Evaluate the Prosecuting Attorney's compliance with certain legal provisions.

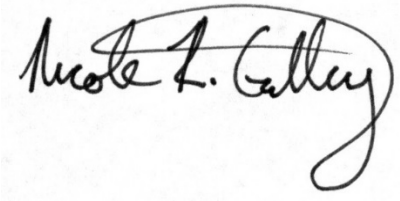
3. Evaluate the economy and efficiency of the Prosecuting Attorney's management practices and procedures, including certain financial transactions.

4. Determine if improper use of public resources occurred and, if so, quantify the amount to the extent possible.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) improper disbursements including bonuses totaling $21,400, excessive meal reimbursements totaling $2,621, and other questionable employee reimbursements totaling $356. The accompanying Management Advisory Report presents our findings arising from our audit of the Prosecuting Attorney of St. Francois County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	James C. Kayser, CFE

St. Francois County Prosecuting Attorney
Introduction

Background

State law defines the duties of county Prosecuting Attorneys, which include prosecuting civil and criminal actions of the county or state, defending all suits against the county or state, and prosecuting actions for the recovery of debts, fines, penalties and forfeitures accruing to the county or state. The Prosecuting Attorney's office collected $198,584 in bad check and court ordered restitution, administrative handling fees, and delinquent state taxes during the year ended December 31, 2018.

Bad check and criminal restitution is transmitted to victims, and administrative handling fees are transmitted to the County Treasurer for deposit into the Bad Check Fund and the Administrative Handling Fund as provided by Section 570.120, RSMo. The Administrative Handling Fund was opened in 2013 and the Bad Check Fund was closed in 2015, and both funds were used during 2013, 2014, and 2015. Pursuant to Section 136.150, RSMo, the Prosecuting Attorney assists the Missouri Department of Revenue in the collection of delinquent state taxes, licenses, and fees, and receives collection fees from the state that are deposited into the Delinquent Tax Fund as provided by Section 56.312, RSMo. Both types of fees are allowed to be expended by the Prosecuting Attorney for various expenses associated with the office's operation. Section 56.765, RSMo, provides for the collection of a surcharge in criminal and infraction cases by each court to be deposited into a fund for the purpose of providing training to the Prosecuting Attorney and his/her staff (Training Fund). The county's General Revenue Fund also provides funding for operating costs of the Prosecuting Attorney's office. All of these funds are held by the County Treasurer and disbursements go through the normal county process, where check requests and supporting documentation are submitted to the County Auditor's office and County Commission to review for compliance with bid requirements and other legal provisions, with checks then issued and distributed by the county.

The former Prosecuting Attorney, Jerrod Mahurin, began employment with the county in 2008, as an Assistant Prosecuting Attorney. On January 16, 2012, he was appointed as Prosecuting Attorney, and he was subsequently elected as Prosecuting Attorney, and served through December 31, 2018. During the year ended December 31, 2018, the Prosecuting Attorney received compensation of $138,738. The Prosecuting Attorney's office had 16 full-time employees, including attorneys, an investigator, and clerical staff, as of December 31, 2018. Melissa Gilliam was sworn into office as Prosecuting Attorney on January 2, 2019.

In July 2018, the State Auditor's Office (SAO) received complaints through its Whistleblower Hotline alleging fiscal mismanagement within the St. Francois County Prosecuting Attorney's office. The SAO conducted an initial review of these matters under Section 29.221, RSMo. After completion of a review of documentation and communications provided, the SAO determined further investigation was warranted under Section 29.221, RSMo. SAO personnel informed the St. Francois County Commission that our office had

received credible complaints and that under Section 50.057, RSMo, first class counties, such as St. Francois County, may request the State Auditor conduct an audit of a particular official or office. In August 2018, the St. Francois County Commission requested the State Auditor conduct an audit of the Prosecuting Attorney's office, and the audit began on September 11, 2018.

The scope of our audit included, but was not necessarily limited to, the period from January 16, 2012, through December 31, 2018. As of May 21, 2019, former Prosecuting Attorney Mahurin had refused to provide written representations to our office as requested on April 18, 2019. We asked him to provide, among other things, the following written representations:

- "We have not knowingly withheld from you any records that in our judgment would be relevant to your audit."

- "We have no knowledge of any fraud or suspected fraud affecting the Prosecuting Attorney's office and involving administrative officials; employees who have significant roles in internal control (e.g., processing transactions or safeguarding assets); or others."

Refusal to provide such representations is concerning and may indicate information potentially relevant to our audit was not provided.

St. Francois County Prosecuting Attorney
Management Advisory Report
State Auditor's Findings

1. Bonuses and Payroll Records and Policies

The Prosecuting Attorney approved bonuses to employees totaling $21,400 contrary to state law. Timesheets and leave records were not prepared for Assistant Prosecuting Attorneys as required by the county's personnel policy.

1.1 Bonuses

The Prosecuting Attorney approved year-end payments for all legal secretaries and the Office Manager in 2012, 2013, 2015, and 2017 totaling $21,400 from the Prosecuting Attorney Bad Check Fund, Prosecuting Attorney Delinquent Tax Fund, and/or the Prosecuting Attorney Administrative Handling Fund. The Prosecuting Attorney prepared and submitted a purchase order and requisition form for these payments each year, and the County Commission and County Auditor approved these forms. In addition, in December 2017, the Prosecuting Attorney submitted a letter indicating "the Prosecuting Attorney's office would like to take $7,000 from the PA Handling Fund and transfer it to the General Fund. We would like to donate $3,500 to St. Francois County and the other $3,500 to allocate as a temporary salary adjustment amongst 8 employees as follows: . . ."

The Prosecuting Attorney also transferred $1,637 from the Prosecuting Attorney Bad Check Fund to the General Revenue Fund in 2015 to cover the county's portion of payroll costs associated with the bonuses. During the other years (2012, 2013, and 2017), the county General Revenue Fund covered the costs associated with the bonuses.

The Prosecuting Attorney did not document or otherwise detail these year-end payments in annual budgets of these funds. No differences were noted between the budget documents prepared for 2012, 2013, 2015, and 2017 (the years these payments were made) and the budget documents prepared for 2014, 2016, and 2018 (the years these payments were not made). Documentation was also not maintained to show that these year-end payments were part of a defined compensation plan or that additional duties were performed to substantiate these additional payments. As a result, these one-time annual payments are bonuses. The following table provides a summary of the bonuses paid each year.

				Bonus Amount Paid From Each Fund			
Year	Number of Employees	Amount Paid per Person	Purpose Documented on the Purchase Order and Requisition Form	Bad Check Fund	Delinquent Tax Fund	Administrative Handling Fund	Total
2012	9	$ 500	Salary/training/salary supplements	$ 2,250	2,250	0	4,500
2013	8	550	Training with Karpel/salaries	2,000	2,400	0	4,400
2015	9	1,000	Supplemental income	3,300	2,000	3,700	9,000
2017	8	438	Temporary salary adjustment	0	0	3,500	3,500
			Total	$ 7,550	6,650	7,200	21,400

These payments represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, the Missouri Constitution, and contrary to Attorney General's Opinion No. 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

1.2 Assistant Prosecuting Attorneys time

Timesheets and leave records were not prepared for the office's Assistant Prosecuting Attorneys as required by the county's personnel policy. These employees are salaried and earn and take leave (sick and vacation); however, their leave was not tracked. The former Prosecuting Attorney indicated he did not require the Assistant Prosecuting Attorneys to prepare timesheets or leave records because he considered them salaried and exempt and that these employees would not be paid for any unused leave upon termination of employment. However, the county's personnel policy indicates each employee will complete a timesheet, and the timesheet will be verified by the department head or official. Also, tracking time is necessary to monitor leave earned and taken.

In addition, 2 Assistant Prosecuting Attorneys completed private work for wards of the probate court and received guardian ad litem fees from the ward and/or the county through the probate court for the services provided. One of the Assistant Prosecuting Attorneys was paid $2,350 and the other was paid $200 for these services. The former Prosecuting Attorney and the Assistant Prosecuting Attorney who was paid $2,350 indicated the work was completed during regular county work hours. The former Prosecuting Attorney indicated he allowed these employees to do this private work on county time and receive this compensation. Allowing completion of private work during regular county work hours is questionable and does not appear to be a prudent or necessary use of public funds.

Without timesheets and leave records, the Prosecuting Attorney and county does not have sufficient records to ensure the validity of payroll disbursements and compliance with leave policies.

Recommendations

The Prosecuting Attorney:

1.1 Discontinue the practice of paying bonuses.

1.2 Require Assistant Prosecuting Attorneys to prepare timesheets and leave records, and reevaluate the policy of allowing assistant prosecuting attorneys to complete private work for compensation during regular county work hours.

Auditee's Response

The current Prosecuting Attorney provided the following responses:

1.1 I will discontinue my predecessor's practice of paying bonuses.

1.2 I will require Assistant Prosecuting Attorneys to prepare timesheets and leave records. I have discontinued the practice of allowing private work for compensation during regular county work hours.

The former Prosecuting Attorney provided the following responses:

1.1 The prosecutor did not pay "bonuses," however the prosecutor made requests, which were then approved by the county commission for salary adjustments for employees, as was the practice of the office of Wendy Horn before Jerrod Mahurin became prosecutor. Further the commission gave approved salary adjustments out of the Administrative Handling Fund, which is provided for in Section 559.100, RSMo. There were years where the commission did not approve the salary adjustments and no adjustments were made.

1.2 Assistant Prosecutors are salaried not hourly employees. Second point the prosecutor does not control judges' decisions nor does the prosecutor mandate when an attorney is appointed as a Guardian ad Litem. Therefore, the prosecutor cannot disallow the attorneys to be summoned to work in court. The auditor addresses the prosecutor allowing work to be done, however, gives no mechanism for stopping a judge appointing an employee.

The County Commission provided the following responses:

1.1 After two years' concentrated effort of policy revision, we adopted an updated policy manual for the first time in decades on June 27, 2017. Section 6 of that policy outlines the requirement of the pay/grade step system. This system requires all salary adjustments be done through the Commission's approval. With one exception, at the end of that same year, no bonuses have happened since.

1.2 The new Prosecuting Attorney has already taken steps to solve this internal departmental process.

Auditor's Comment

Pertaining to the former Prosecuting Attorney's responses:

1.1 The transactions reviewed did not include the time period former Prosecuting Attorney Horn was in office. While Section 559.100, RSMo, provides for employee salaries, it does not authorize bonuses or additional compensation for services previously rendered that are in violation of the Missouri Constitution and contrary to Attorney

General Opinion. Regardless of County Commission approval, the payments represent bonuses that are contrary to state law. In addition, former Prosecuting Attorney Mahurin did not request year-end payments for his employees during 2014, 2016, or 2018.

1.2 While the Judge ordered the attorneys to serve as the ward's Guardian ad Litem; the order did not provide for the attorneys to complete private work on county time. This was authorized by former Prosecuting Attorney Mahurin, with no requirement for these employees to take leave or work extra hours to make up the time.

2. Disbursements

Significant weaknesses exist in the controls and procedures over the Prosecuting Attorney's office disbursements.

2.1 Employee reimbursements

Various employees of the Prosecuting Attorney's office, including the Prosecuting Attorney, frequently did not comply with the county's reimbursement policy and many employee reimbursements were not a prudent or necessary use of public funds. These employee reimbursements were made from the Administrative Handling Fund, the Bad Check Fund, the Delinquent Tax Fund, the Training Fund, and the General Revenue Fund. We reviewed employee reimbursements during the period January 16, 2012, through September 11, 2018, and noted various concerns.

Excessive cost of meals

The Prosecuting Attorney and his employees requested and received reimbursement of meals that exceeded the county's meal limit by $2,621 in total for the period reviewed, and in some instances requested meal reimbursements when meals were already provided. The Prosecuting Attorney exceeded the county meal limit for 15 of the 34 days for which he requested reimbursement of meal costs, with meals that exceeded the county's meal limit by $754; 2 Assistant Prosecuting Attorneys exceeded the county meal limit for 29 of 69 days for which they requested reimbursement of meal costs, with meals that exceeded the county's meal limit by $1,174; and the Investigator exceeded the county meal limit for 12 of 45 days for which he requested reimbursement of meal costs, with meals that exceeded the county's meal limit by $307. Various other employees of the Prosecuting Attorney's office also exceeded the county meal limit with meals that exceeded the county's meal limit by $386.

Examples of some evening meals that exceeded the county's meal limit included:

Employee	Date	Restaurant	Amount
Prosecuting Attorney	08/29/12	J. Bruner's	$ 127[1]
Prosecuting Attorney	08/29/13	JB Hook's	157[1]
Prosecuting Attorney	08/27/14	JB Hook's	119[2]
Assistant Prosecuting Attorney	04/05/12	JB Hook's	96[1]
Assistant Prosecuting Attorney	08/29/12	J. Bruner's	116[1]
Assistant Prosecuting Attorney	08/29/13	JB Hook's	88[1]
Assistant Prosecuting Attorney	04/16/14	JB Hook's	102[1]
Assistant Prosecuting Attorney	08/27/14	JB Hook's	86[1]
		Total	$ 891

[1]An itemized invoice detailing the items purchased was not submitted with the reimbursement.

[2]Oysters, steak, and lobster (one meal) were purchased.

County Auditor Burgess took office on January 1, 2015, and served until January 18, 2017, and he implemented procedures to limit meal reimbursement costs to county policy. However, the Prosecuting Attorney and his employees continued to submit meal costs in excess of county policy. We noted other limited instances during 2017 and 2018 where meal costs were reimbursed that exceeded county policy.

In addition, we noted several instances where employees were reimbursed for meals purchased from outside restaurants when the seminar provided a meal as part of the registration fee; therefore, the cost of the meal should not have been reimbursed. As a result, many of these meals were not a prudent or necessary use of public funds.

The county's travel expense policy from January 16, 2012, through June 27, 2017, provided for the maximum reimbursement of authorized meals and tips combined, whether in state or out of state, to be $36 per day (with no breakdown by meal). The county's travel expense policy was revised effective July 1, 2017, and provides for the reimbursement of authorized meals and tips combined, whether in state or out of state to be $50 per day ($10 for breakfast, $15 for lunch, and $25 for dinner). County policy from 2012 to current requires an itemized bill for the reimbursement of meals.

Supporting documentation

We identified numerous purchases without adequate supporting documentation, and in some cases no documentation beyond the travel expense form. In many instances, only a credit card charge slip was submitted rather than a detailed invoice or receipt slip. The county's travel policy requires reimbursement requests include itemized invoices. As a result of the lack of documentation, we could not determine if some non-reimbursable expenses, such as alcoholic beverages, entertainment, laundry and cleaning, etc. as outlined in the county's travel policy, were reimbursed.

In addition, we identified 19 instances where a travel expense form was not prepared and submitted to support employee reimbursements in compliance with county policy. In these instances, employees either sent an email listing the expenses incurred, prepared a list of expenses to be reimbursed, or submitted receipts to the Office Manager to be approved by the Prosecuting Attorney. This documentation was then transmitted to the County Auditor and County Commission for their approval. The county's travel policy requires travel expense forms be prepared by employees monthly and approved by the department head and County Commission before being processed for payment.

The county's travel policy indicates all efforts shall be made to keep travel expenses to a minimum and training courses will benefit both the employee and the county. However, no documentation was maintained to explain the necessity or benefit to the county as to reimbursements paid to an Assistant Prosecuting Attorney for travel to out of state seminars. The county reimbursed this Assistant Prosecuting Attorney $3,802 to attend 3 out of state National District Attorney Association seminars held in 2012, 2014, and 2015. The former Prosecuting Attorney indicated this Assistant Prosecuting Attorney attended training out of state because he did not attend some days of group trainings held within the state and covered the office while other attorneys attended these in-state group trainings.

Other questionable reimbursements

We identified other employee reimbursements that were questionable, or likely unnecessary and not a prudent use of public funds.

- The Investigator requested and received reimbursement of a $53 room service meal purchased on October 25, 2012, and a $56 room service meal purchased on April 17, 2014, twice, by submitting the meal cost with his meal reimbursement request and again with his separate hotel cost reimbursement request. These meal reimbursements are included in the $2,621 of meal costs that exceeded the county's meal limit as previously discussed.

- An Assistant Prosecuting Attorney requested reimbursement of $123, the cost of an additional night at a hotel where a seminar was held on July 13 through 14, 2012. The hotel bill included charges for 3 nights (July 12 through July 14, 2012). This Assistant Prosecuting Attorney requested reimbursement of $124, the cost of an additional night at a hotel where a seminar was held on July 19 and July 20, 2013. The hotel bill included charges for both nights. No documentation was included on the reimbursement claim forms to explain the extra night stay. The seminars were held approximately 3 hours from Farmington, the county seat, and ended at approximately 4 p.m. Therefore, the cost of the additional night's stay on July 14, 2012, and July 20, 2013, was likely unnecessary.

Conclusion

Internal Revenue Service (IRS) regulations require under an accountable plan that an employee must adequately account for his/her expenses for reimbursed amounts received. If that does not occur for some or all of the reimbursements received or if some of the expenses do not have a business connection, the unaccounted for portion or non-business related costs would generally be considered taxable income that would need to be reported on W-2 forms. Because procedures have not been established to ensure IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

Detailed supporting documentation improves the county's ability to review charges and provides better documentation of the items purchased to ensure charges are reasonable and in accordance with established policies. In addition, public funds should be spent only on items necessary and beneficial to the county. County residents have placed a fiduciary trust in their public officials to spend county revenues in a prudent and necessary manner.

2.2 Take home vehicle

The Prosecuting Attorney allowed county-owned vehicles[1] to be taken home by the Investigator and had not established procedures to adequately review and document the necessity and justification for their use. In addition, questionable repair costs to one of these vehicles were incurred, and the Investigator did not follow county policy.

The Prosecuting Attorney's office disbursed $57,938 related to obtaining these vehicles and for fuel, repairs, and maintenance during the period January 16, 2012, through July 19, 2018. Some of the fuel costs were paid by the Sheriff's office and could not be determined. A new vehicle was purchased for the Investigator's use on September 29, 2016, to replace the previous one assigned to him, and as of January 11, 2019, the vehicle's odometer indicated 47,113 miles had been driven. A vehicle usage log was not maintained by the Investigator, and he generally worked in the office.

We estimated the Investigator commutes 10,535 miles a year (43 miles*5 days*49 weeks [excludes 3 weeks of vacation]) in a county-owned vehicle. This averages 878 personal commuting miles a month, and personal commuting miles represent approximately 51 percent (24,145 miles) of the total miles driven in the new vehicle. While the former Investigator indicated he was deputized and on call, he also indicated it had been years since he was called out. IRS regulations do not consider commuting of law enforcement employees on call at all times in clearly marked law enforcement vehicles a taxable benefit when specific criteria are met; however it is not clear the vehicle usage of the Investigator meets this criteria. Federal regulations typically require employers to withhold payroll taxes and include the value of

[1] Two vehicles were used by the investigator during the audit period with only one vehicle assigned to the office at a time.

personal (commuting) use of a business-owned vehicle in taxable income. The IRS provides several methods to determine vehicle commuting values.

In addition, in May 2014, the Prosecuting Attorney's office incurred questionable vehicle repair costs totaling $1,513, and the Investigator did not report the accident in compliance with county policy. County policy states "Employees shall report to the police department any accidents involving a County vehicle and the property or vehicle of another party." The damages to the county-owned vehicle occurred at the Investigator's home involving an accident with his wife's personal vehicle. The former Investigator indicated that he did not file an accident claim with either his own personal vehicle insurance company or with the county's insurance company. The Prosecuting Attorney approved paying the repair costs from county funds.

Allowing an employee to take a county-owned vehicle home, results in additional and unnecessary costs to the Prosecuting Attorney's office. Given the high costs associated with vehicle ownership, and maintenance and fueling, the Prosecuting Attorney's office should periodically perform a cost-benefit analysis of owning a vehicle for office use. The county's residents have placed a fiduciary trust in their public officials to spend tax revenues in a necessary and prudent manner. The Prosecuting Attorney should ensure county funds are spent only on items necessary and beneficial to the county.

Recommendations

The Prosecuting Attorney:

2.1 Establish oversight procedures to ensure employee reimbursements are reasonable, proper, sufficiently documented, and follow county policy; and ensure the county subjects unsupported reimbursements to payroll tax withholdings as appropriate and amends prior W-2 forms, if necessary. The Prosecuting Attorney should also ensure all disbursements are a necessary and prudent use of public funds.

2.2 Reevaluate the assignment of a county-owned vehicle, ensure adequate documentation is maintained regarding the justification, approval, and monitoring of the vehicle, and ensure the county complies with IRS guidelines for reporting personal commuting mileage.

Auditee's Response

The current Prosecuting Attorney provided the following responses:

2.1 I will establish a procedure to provide oversight to ensure employee reimbursements are reasonable, proper, follow county policy and require sufficient documentation to support any and all disbursements.

2.2 The previous investigator is no longer employed with my office. The new investigator does not use the county car as a take home vehicle,

and he tracks his mileage and documents the purpose of each use of the county-owned vehicle.

The former Prosecuting Attorney provided the following responses:

2.1 The meal items listed were a correct reflection of what was approved by prior commissioners and prior prosecutor Wendy Horn. The policy for allowing for deviations from the county policy of certain amounts per day were set before Jerrod Mahurin took office and were continually approved by all commissioners, treasurers and auditors (including outside auditors) before now because of the standing agreement between the prior commissioners and prior prosecutor, further any other trips were compliant with the county policy as no deviations were approved.

2.2 The vehicle was routinely used by the investigator and only the investigator after hours for service of the prosecutor's office and was required to be used for those purposes alone.

The County Commission provided the following responses:

2.1 On July 1, 2017, we changed the meal reimbursement policy. No violations were cited for 2018 and 2019. Early on we questioned certain bills in our approval process and the practice has not been noted since.

2.2 The person involved with the lack of vehicle records is no longer employed by the Prosecuting Attorney's office. The current Prosecuting Attorney has taken steps to resolve this situation.

Auditor's Comment

Pertaining to the former Prosecuting Attorney's responses:

2.1 The transactions reviewed did not include the time period former Prosecuting Attorney Horn was in office. No documentation was provided of a "standing agreement" between prior County Commissioners and the prior Prosecuting Attorney, and the County Commissioners indicated they were unaware of any "standing agreement." County travel policies were in place during the period of our review for all county employees to follow.

2.2 The Investigator, the former Prosecuting Attorney, and other county officials/employees confirmed to audit staff that the Investigator used the county-owned vehicle for commuting purposes. The odometer reading of this county-owned vehicle and the vehicle damage incurred at the Investigator's home further substantiate that county-

owned vehicles were used by the Investigator for commuting purposes.

3. Accounting Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need significant improvement.

3.1 Segregation of duties

The Prosecuting Attorney had not adequately segregated accounting duties or performed supervisory reviews of accounting records. The Bad Check Clerk was responsible for receipting, recording, and transmitting bad check monies to the victim or the Office Manager, and the Restitution Clerk was responsible for receipting, recording, and transmitting court-ordered restitution monies to the victim or the Office Manager. The Office Manager was responsible for transmitting monies to the County Treasurer.

In addition, the Bad Check Clerk and Restitution Clerk had the ability to record adjustments and delete transactions in the computerized accounting systems without independent approval. Also, reports of adjustments made to the computerized accounting systems and deleted transactions were not generated and independently reviewed. At our request reports of adjustments and deleted transactions were generated, and during the period January 1, 2017, through September 11, 2018, the clerks made no adjustments and deleted 11 payments totaling $5,303. Adequate documentation was not retained to support or explain the reasons for the deletions.

Neither the Prosecuting Attorney, Office Manager, nor other clerks performed documented supervisory or independent reviews of accounting records to ensure all monies received were properly recorded and transmitted or disbursed to the appropriate party.

Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. Proper segregation of duties is necessary to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals and a review of adjustments made to the accounting system.

3.2 Receipting and transmitting

The Prosecuting Attorney had not established proper controls or procedures for receipting and transmitting monies.

- The Traffic Clerk did not issue receipt slips for traffic ticket payments received or donations received for The BackStoppers, Inc.[2] The clerk transmitted the traffic ticket payments to the Circuit Clerk's office for deposit and the donations to the Sheriff's office to be passed on to The BackStoppers, Inc. In addition, the transmittals from both the Prosecuting Attorney's and Sheriff's offices were not documented.

- Office personnel did not account for the numerical sequence of receipt slip numbers of the bad check or court-ordered restitution computerized accounting systems.

- The Bad Check Clerk and the Restitution Clerk did not produce receipt reports from the computerized accounting systems listing the receipts comprising each deposit.

- The Bad Check Clerk and Restitution Clerk transmitted fees and restitution made payable to the Prosecuting Attorney and/or county to the Office Manager; however, the Office Manager did not reconcile the receipt slips issued to the monies transmitted. The Bad Check Clerk and Restitution Clerk did not generate a receipt report from the computerized accounting systems to document their transmittal of monies to the Office Manager, but instead prepared a list of monies on hand being transmitted to document the transmittal. As a result, there was no assurance that all monies receipted in the computerized accounting systems were accounted for and transmitted.

- The Prosecuting Attorney's office did not always transmit court-ordered restitution to victims and fees to the County Treasurer timely.

  During a cash count performed on September 11, 2018, we identified 13 money orders, totaling $995 in bad check fees, that were receipted between July 20 and September 11, 2018, but not transmitted to the Office Manager until September 20, 2018, and the County Treasurer until September 24, 2018. In another example, money orders receipted between May 23, 2018, and July 12, 2018, totaling $1,524 in bad check fees were not transmitted to the County Treasurer until July 18, 2018, and the transmittal from the Bad Check Clerk to the Office Manager was not documented.

[2] The BackStoppers, Inc., is a not-for-profit organization that provides financial assistance and support to the spouses and dependent children of police officers, firefighters, and publicly-funded paramedics and EMTs who have lost their lives in the line of duty. This organization also provides assistance to first responders who suffer a catastrophic injury performing their duty. The BackStoppers, Inc. coverage area includes 13 Missouri counties and 5 Illinois counties.

In addition, some money orders received became stale because office personnel did not timely process restitution and fees received. As a result, county funds were used to "cover" some of the stale money orders received and owed to victims and the ability to deposit fees received was lost. For example, 2 money orders made payable to the county dated October 9, 2008, and totaling $80 were held and not transmitted to the County Treasurer until May 31, 2012; however, the bank returned the money orders as unpaid and stale. The Prosecuting Attorney approved the County Treasurer paying the victim $50 from his Bad Check Fund for the victim's portion of the payments received. The other $30 stale money order represented bad check fees owed to the county. In another example, a $60 money order dated September 2010, received for bad check fees, was held and not transmitted to the County Treasurer until March 2015. The bank also returned that money order as unpaid and stale.

- Money orders and cashier's checks were not restrictively endorsed at the time of receipt or before transmitting them to the County Treasurer. A cash count on September 11, 2018, identified 15 money orders totaling $1,065, that had not been restrictively endorsed by the Bad Check Clerk. The former Office Manager indicated that she did not restrictively endorse money orders received prior to transmitting them to the County Treasurer.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, proper receipting and transmitting procedures are necessary. In addition, money orders and cashier's checks should be restrictively endorsed immediately upon receipt.

3.3 Unallowable donations

The Prosecuting Attorney frequently reduced or dismissed charges on traffic tickets by requiring defendants to make a donation, ranging from $150 to $500, to The BackStoppers, Inc. During the period January 2017 to March 2018, donations totaling at least $5,600, were transmitted to this organization. These arrangements/donations were also occurring prior to 2017; however, records were not available for our review. The Prosecuting Attorney's office did not track these arrangements or the subsequent donations made. Although there is an established fee schedule by the court, the amount paid to The BackStoppers, Inc. to amend or dismiss charges could be negotiated with the Prosecuting Attorney. There is no authority for the Prosecuting Attorney to require a donation to reduce or dismiss charges filed on traffic tickets. Article IX, Section 7, Missouri Constitution, states the proceeds of all penalties, forfeitures, and fines are to be distributed to the County School Fund.

In addition, the verbal donation agreement was not part of a written plea agreement and was not approved by the Judge or disclosed in court. Supreme Court Rule 24.02 states that if a plea agreement has been reached by the parties, the court shall require the disclosure of the agreement on the record.

3.4 Accounts receivable

Improvement is needed to better monitor and pursue collection of receivables. The Prosecuting Attorney's office did not generate or prepare monthly lists of unpaid bad checks or a report of unpaid court-ordered restitution, including court-ordered restitution for bad checks. As a result, the amount of unpaid receivables was unknown and the need for follow up on specific cases may not have been identified timely.

At our request, a list of accounts receivable for unpaid court-ordered restitution from 2015 through 2018 was prepared as of September 11, 2018, that identified $716,237 in court-ordered restitution outstanding. Also at our request, a list of accounts receivable for unpaid bad check restitution and fees from 2015 through 2018 was prepared as of March 7, 2019, that identified $188,255 in bad check restitution and fees outstanding.

Complete and accurate lists of unpaid bad checks and restitution would allow the Prosecuting Attorney's office to more easily review the amounts due, take appropriate steps to ensure amounts due are collected, and determine if any amounts are uncollectible.

3.5 Restitution procedures

The Prosecuting Attorney had not established adequate procedures to ensure restitution amounts owed by defendants and other case information were accurately entered into the computerized accounting system.

During our review of various bad check and court-ordered restitution cases, we noted the total restitution amount owed by the defendant per the computer system did not always agree to case documentation from the court. For example, the accounting system indicated a defendant owed a victim $1,300 as of January 10, 2019. A $70 payment was received on January 20, 2017, and entered into the computerized accounting system but subsequently deleted, leaving the balance due at $1,300. The case file contained a copy of the $70 money order and documentation that it was transmitted to the victim on January 20, 2017; therefore the balance due to the victim should have been $1,230. After we discussed this error with the Office Manager, she corrected the balance due on February 4, 2019.

Restitution entered into the computer system should be reviewed and compared with other court documentation to ensure the accuracy of amounts owed and subsequently paid by the defendants. Any differences should be promptly investigated and resolved to ensure the proper amount of restitution is collected.

Recommendations

The Prosecuting Attorney:

3.1 Segregate accounting duties or ensure an adequate independent or supervisory review of accounting records is performed and documented. In addition, the Prosecuting Attorney should require reports of adjustments and deleted transactions be generated and

reconciled to supporting documentation, and a supervisory review and approval of the documentation performed.

3.2 Issue prenumbered receipt slips for all monies received, account for the numerical sequence of receipts, produce receipt reports from the systems that reconcile to transmittals, ensure monies are transmitted timely and are adequately documented, and restrictively endorse money orders and cashier's checks immediately upon receipt.

3.3 Reevaluate the practice of requiring donations as part of reducing or dismissing charges filed.

3.4 Establish procedures to monitor and collect accounts receivable.

3.5 Establish procedures to review restitution amounts entered into the computer system to ensure amounts and information agree with court documentation. Any differences should be promptly investigated and resolved.

Auditee's Response

The current Prosecuting Attorney provided the following responses:

3.1 I will segregate accounting duties or ensure an adequate independent or supervisory review of accounting records is performed and documented. I will require reports of adjustments and deleted transactions be generated and reconciled to supporting documentation, and a supervisory review and approval of the documentation performed.

3.2 I will issue prenumbered receipt slips for all monies received, account for the numerical sequence of receipts, produce receipt reports from the systems that reconcile to transmittals, ensure monies are transmitted timely and are adequately documented, and restrictively endorse money orders and cashier's checks immediately upon receipt.

3.3 I have ended the practice of requiring donations as part of reducing or dismissing charges filed.

3.4 I will establish procedures to monitor and collect accounts receivable.

3.5 I will establish procedures to review restitution amounts entered into the computer system to ensure amounts and information agree with court documentation. Any differences will be promptly investigated and resolved.

The former Prosecuting Attorney provided no response to findings 3.1, 3.2, 3.4, and 3.5.

The former Prosecuting Attorney provided the following response:

3.3 Neither the prosecutor nor the court had a fee schedule.

The County Commission provided the following responses:

3.1 Our County Auditor's office now regularly monitors the segregation of duties in all county offices.

3.2 Prenumbered receipt slips are now the norm in the Prosecuting Attorney's office.

3.3 The practice of donation requirements as a part of a plea deal has ceased.

3.4 Accounts receivable are now regularly and properly monitored.

3.5 The Prosecuting Attorney has communicated to us her intent to upgrade her office software to better monitor restitution amounts tendered.

Auditor's Comment

Pertaining to the former Prosecuting Attorney's response:

3.3 The St. Francois County Circuit Court maintains a fine schedule for traffic offenses and provided it to our office.

4. Electronic Data Security

The Prosecuting Attorney had not established adequate password controls to reduce the risk of unauthorized access to the office's computers and data. Employees were not required to change passwords periodically.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed, there is less assurance access to computers and data files is effectively limited to only those individuals who need access to perform their job responsibilities. Passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendation

The Prosecuting Attorney require confidential passwords that are periodically changed to prevent unauthorized access to office computers and data.

Auditee's Response

The current Prosecuting Attorney indicated she will require confidential passwords that are periodically changed.

The former Prosecuting Attorney provided no response to this finding.

The County Commission is now directing the county's IT department to oversee the regular change of passwords among the staff of the Prosecuting Attorney's office.

St. Francois County Prosecuting Attorney
Appendix
Correspondence Documentation

The following emails and documents show correspondence between the State Auditor's Office and former St. Francois County Prosecuting Attorney, Jerrod Mahurin, and Mr. Mahurin's legal counsel regarding the draft audit report, exit conference and response process and deadline, and management representations.

Pamela Allison

From: Pamela Allison
Sent: Thursday, April 4, 2019 7:55 AM
To: 'jmahurinlaw@gmail.com'
Subject: Encrypt
Attachments: Confidential Draft St. Francois County Prosecuting Attorney1.pdf

Jarrod,
As discussed yesterday on the phone, attached is a confidential draft copy of the audit report for your review. As noted in the attached letter, we plan to meet with you at 10 a.m. in the County Auditor's conference room on April 15, 2019. Please have written responses prepared and if you have them prepared prior to the 15th, please email them to me so that we can have a better overall discussion on April 15th. Should you have any questions or concerns, feel free to contact me at the number below. Also, as this report is just a draft, we ask that you keep it confidential.

Thank you- Pam

Pamela Allison, CPA, CFE
Missouri State Auditor's Office
Supervisory Manager of the
Public Corruption and Fraud Division
(417) 895-6519

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Pamela Allison

From: jerrod mahurin <jmahurinlaw@gmail.com>
Sent: Wednesday, April 10, 2019 2:43 PM
To: Pamela Allison
Subject: Re: Encrypt

Ms. Allison.

This is a follow up to our conversation in which I informed you that I have retained counsel based on your initial confidential findings. Please understand that I would like you to speak with my attorneys from Rosenblum, Shwartz and Fry. I would further like to reschedule our Monday meeting from April 15 which you seemed amenable to. Thank you.

Jerrod D. Mahurin

1

Paul Harper

From: Paul Harper
Sent: Wednesday, April 17, 2019 9:24 AM
To: Michael Moorefield; Pamela Allison
Subject: RE: Maherin

I just had a conversation with the attorney. Just to editorialize a bit, it was oddly casual. He really just wanted to know the process and where to go from here.

I briefly explained the process and that he has 30 days to get a written response in. I said that we typically have a face to face meeting to discuss but that if they just wanted to submit the written response that they could submit those responses in writing and it becomes a part of the audit. I explained that depending what is in that response we may need to do an auditor's comment to respond to his response.

He then asked who gets copies of the report and whether it would be sent to the AG. I said that yes the AG receives copies of all reports. I said that there are several entities that are required to get the report, such as the governor and the general assembly. I also said that there are others that get all reports, such as the AG. And there are others that are sent reports because they request it. I also mentioned that others just look at the reports online because they are all on our website.

He thanked me and said he would get back to me as to whether they want a sit down meeting with the auditors.

Paul Harper
General Counsel
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102
(573) 522-3663
(573) 751-7984 FAX

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Pamela Allison

From: Pamela Allison
Sent: Thursday, April 18, 2019 1:42 PM
To: 'jerrod mahurin'
Subject: RE: Encrypt
Attachments: Management Representation Letter.docx

Mr. Mahurin,

Attached is our standard management representation letter that we ask all our auditee to place on their letter head, sign, and return.

If you have any questions regarding the letter, please call. I will be out of the office quite a bit, but you are welcome to leave a message and I'll get back to you.

Thank you- Pam

Pamela Allison, CPA, CFE
Missouri State Auditor's Office
Supervisory Manager of the
Public Corruption and Fraud Division
(417) 895-6519

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April 19, 2019

Honorable Nicole R. Galloway, CPA
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Madam:

We are providing this letter in connection with your audit of the St. Francois County Prosecuting Attorney's office for the period ended January 1, 2012 through December 31, 2018. We confirm, to the best of our knowledge and belief, as of January 13, 2019, the following representations made to you during your audit.

1. We have made available to you, if and to the extent requested by you, all financial records and related data for all of the St Francois County Prosecuting Attorney's funds, programs, and activities and all correspondence files. We have not knowingly withheld from you any records that in our judgment would be relevant to your audit.

2. There are no significant transactions that have not been properly recorded in the accounting records.

3. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud (intentional misstatements or omissions of amounts in financial records or misappropriation of assets).

4. We have no knowledge of:

   a. Any fraud or suspected fraud affecting the Prosecuting Attorney's office and involving administrative officials; employees who have significant roles in internal control (e.g., processing transactions or safeguarding assets); or others.

   b. Any allegations of fraud or suspected fraud affecting the Prosecuting Attorney's office and received in communications from employees, former employees, regulators, or others.

5. Any related party transactions and resulting effects have been properly recorded or disclosed to you.

6. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial or other practices.

7. We are responsible for the Prosecuting Attorney's compliance with provisions of laws, regulations, contracts. and grant agreements applicable to it; and we have identified, and disclosed to you, all such provisions that we believe have a significant effect on operations. We have complied with all aspects of laws, regulations, contracts, and grant agreements that would have a significant effect on operations in the event of noncompliance.

To the best of our knowledge and belief, no events have occurred subsequent to your audit period and through the date of this letter that should be disclosed to you because they would be relevant to your audit.

Jarred Mahurin
Former Prosecuting Attorney

NICOLE GALLOWAY, CPA
Missouri State Auditor

April 25, 2019

Timothy J. Hunsaker
Rosenblum, Schwartz and Fry
120 South Central Avenue
Suite 130
Saint Louis, MO 63105
thunsaker@rsflawfirm.com

Re: St. Francois County Prosecutor Audit

Dear Mr. Hunsaker:

I am writing this letter as a follow up to our April 17, 2019, phone conversation regarding your client Jerrod Mahurin. During that conversation we discussed the audit process and that Section 29.200.12, RSMo, provides that an auditee shall provide responses to any recommendation contained in the draft report within 30 days of receipt of the draft report.

This office sent Mr. Mahurin the draft report on April 4, 2019. As such, he has until May 6 to provide any responses. As you know, a meeting had been scheduled to discuss the report and its findings on April 15. At your client's request, that meeting was cancelled. After the meeting was cancelled, this office sent Mr. Mahurin the management representation letter for signature.

As of the date of this letter, this office has not received any responses or the signed management representation letter. If this office does not receive these documents by May 6, this office will proceed with the finalization of the report and will note that your client did not provide responses to the findings.

If you need to discuss this matter, you may contact me by telephone at (573) 751-4213 or by email at Paul.Harper@auditor.mo.gov.

Sincerely,

Paul Harper

Paul Harper
General Counsel

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Paul Harper

From: T.J. Hunsaker <thunsaker@rsflawfirm.com>
Sent: Friday, May 3, 2019 3:55 PM
To: Paul Harper
Subject: RE: SAO - St. Francois County Prosecutor Audit

Paul:

Please give me a call when you can (314-313-2759)

I wanted to follow up with you about some of the language in the report. The main focus would be on the use of the phrase "unlawful bonuses" in **Section 1**. Mr. Mahurin had conversations with Ms. Allison on this topic and I wanted to follow up with you to talk about it.

Additionally, as to Section **2. Disbursements** -- was a review completed of prior individuals who ran the St. Francois County Prosecuting Attorney's Office to see how the items discussed in this section were handled when submitted for reimbursement?

I may have other topics to discuss when we have a chance to talk on the phone.

Thanks,

Timothy J. Hunsaker
120 S. Central Ave.
Suite 130
Clayton, MO 63105
Phone: (314) 862-4332
Fax: (314) 862-8050

Pamela Allison

From: jerrod mahurin <jmahurinlaw@gmail.com>
Sent: Monday, May 6, 2019 4:56 PM
To: Pamela Allison
Subject: responses to audit
Attachments: answers to audit.docx

pam here are my answers

jerrod

1

1.. The prosecutor did not pay "bonuses", however the prosecutor made requests, which were then approved by the county commission for salary adjustments for employees, as was the practice of the office of Wendy Horn before Jerrod Mahurin became prosecutor. Further the commission gave approved salary adjustments out of the Administrative Handling Fund, which is provided for in RSMO 559.100. There were years where the commission did not approve the salary adjustments and no adjustments were made.

1.2 Assistant Prosecutors are salaried not hourly employees.

Second point the prosecutor does not control judges' decisions nor does the prosecutor mandate when an attorney is appointed as a Guardian ad Litem. Therefore, the prosecutor cannot disallow the attorneys to be summoned to work in court. The auditor addresses the prosecutor allowing work to be done, however, gives no mechanism for stopping a judge appointing an employee.

2.1 The meal items listed were a correct reflection of what was approved by prior commissioners and prior prosecutor Wendy Horn. The policy for allowing for deviations from the county policy of certain amounts per day were set before Jerrod Mahurin took office and were continually approved by all commissioners, treasurers and auditors (including outside auditors) before now because of the standing agreement between the prior commissioners and prior prosecutor, further any other trips were compliant with the county policy as no deviations were approved.

2.2 The vehicle was routinely used by the investigator and only the investigator after hours for service of the prosecutors' office and was required to be used for those purposes alone.

3.1

3.2

3.3a

3.3b The prosecutor did not have a fee schedule, that is completely fictitious, with regards to reducing tickets or making donations.

3.4

3.5

4

Paul Harper

From: Paul Harper
Sent: Tuesday, May 7, 2019 1:45 PM
To: T.J. Hunsaker
Subject: RE: SAO - St. Francois County Prosecutor Audit
Attachments: Revised Finding 3.3 Unallowable donations.pdf

Your client provided responses to our auditors.

Your client had responded as follows to the draft report:

> 3.3b The prosecutor did not have a fee schedule, that is completely fictitious, with regards to reducing tickets or making donations.

Finding 3.3 has been amended. I have attached a copy of the current draft finding.

Please let me know if you client wants to change his response to this finding.

Paul Harper
General Counsel
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102
(573) 522-3663
(573) 751-7984 FAX

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3.3 Unallowable donations

The Prosecuting Attorney frequently reduced or dismissed charges on traffic tickets by requiring defendants to make a donation, ranging from $150 to $500, to The BackStoppers Inc[1]. During the period January 2017 through March 2018, donations totaling at least $5,600, were transmitted to this organization. These arrangements/donations were also occurring prior to 2017; however, records were not available for our review. The Prosecuting Attorney's office did not track these arrangements or the subsequent donations to BackStoppers program. Although there is an established fee schedule by the court, the amount paid to the BackStoppers program to amend or dismiss charges could be negotiated with the Prosecuting Attorney. There is no authority for the Prosecuting Attorney to require a donation to reduce or dismiss charges filed on traffic tickets. Article IX, Section 7, Missouri Constitution, states the proceeds of all penalties, forfeitures, and fines are to be distributed to the County School Fund.

In addition, the verbal donation agreement was not part of a written plea agreement and was not approved by the Judge or disclosed in court. Supreme Court Rule 24.02 states that if a plea agreement has been reached by the parties, the court shall require the disclosure of the agreement on the record.

DRAFT
Subject to Revision
Not For External Release

Recommendations

The Prosecuting Attorney:

3.3 Establish procedures to ensure court-ordered restitution is disbursed to victims and the county in a timely manner.

[1] The BackStoppers Inc., is a not for profit that provides financial assistance and support to the spouses and dependent children of police officers, firefighters, and publicly-funded paramedics and EMTs who have lost their lives in the line of duty. This organization also provides assistance to first responders who suffer a catastrophic injury performing their duty. The BackStoppers Inc. coverage area includes 13 Missouri counties and 5 Illinois counties. https://backstoppers.org/, accessed March 27, 2019.

Paul Harper

From: Paul Harper
Sent: Tuesday, May 14, 2019 9:16 AM
To: T.J. Hunsaker
Subject: RE: SAO - St. Francois County Prosecutor Audit

I have not heard from you regarding any changes to your client's responses in the audit. If this office has not received the responses by May 21, 2019, we will proceed with finalizing the report using the response received on May 6, 2019.

Additionally, your client has not returned a signed management representation letter. If this office has not receives a signed management representation letter by May 21, 2019, we will proceed with finalizing the report and note a refusal to sign.

Thank you.

Paul Harper
General Counsel
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102
(573) 522-3663
(573) 751-7984 FAX

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Paul Harper

From: T.J. Hunsaker <thunsaker@rsflawfirm.com>
Sent: Tuesday, May 14, 2019 1:40 PM
To: Paul Harper
Subject: RE: SAO - St. Francois County Prosecutor Audit

Paul:

Thank you for following up. I sent Mr. Mahurin a copy of the response you supplied related to 3.3b.

Mr. Mahurin's statement as to amendment supplied by your office as to 3.3b is

"Neither the prosecutor nor the Court had a fee schedule"

I will speak with Mr. Mahurin about the management representation letter and get back to you.

Sincerely,

Timothy J. Hunsaker
120 S. Central Ave.
Suite 130
Clayton, MO 63105
Phone: (314) 862-4332
Fax: (314) 862-8050

1

Pamela Allison

From: jerrod mahurin <jmahurinlaw@gmail.com>
Sent: Wednesday, June 5, 2019 5:47 PM
To: Pamela Allison
Subject: Encrypt

Pam I haven't heard from anyone is some time ... I have emailed several times and I have asked for my exit interview... I now understand that you all are releasing findings tomorrow without allowing me to present documents or allowing me an exit Interview.... I certainly have not seen the final form but I understand you have supplied it to several office holders as they are speaking about it. Please advise ... I would request you hold the release one week and allow my exit interview... I will make myself available ASAP.

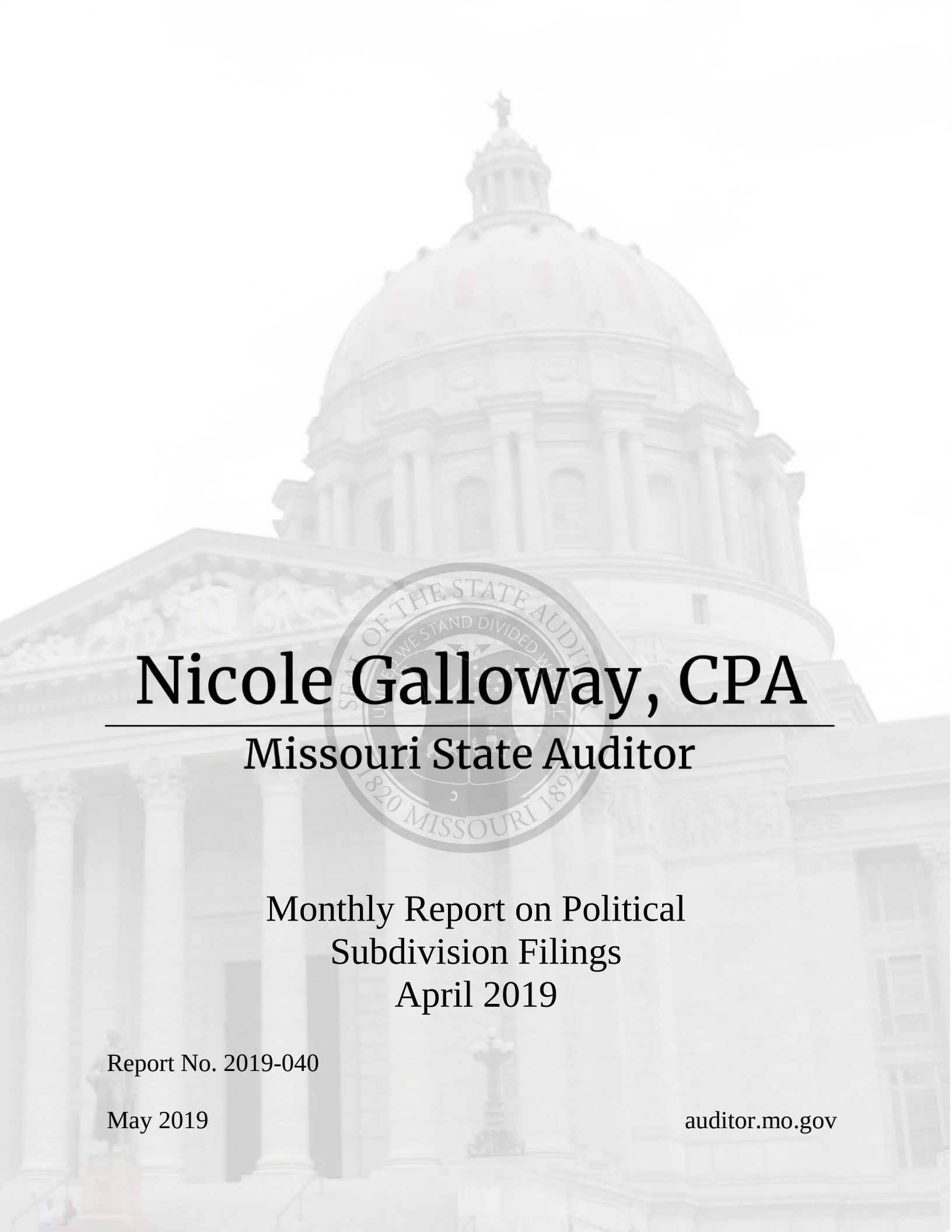
1

Pamela Allison

From: jerrod mahurin <jmahurinlaw@gmail.com>
Sent: Wednesday, June 5, 2019 6:33 PM
To: Pamela Allison
Subject: Encrypt

I understand you all need to make your findings I just want them to be complete and accurate and I am sure you all do as well... I humbly ask for one week to address this as it is my reputation and life here... I went through the ringer by the audit coming out on primary day ... please grant me this one concession as it could irreparably harm me if this isn't accurate

1



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings April 2019

Report No. 2019-040

May 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
April 2019
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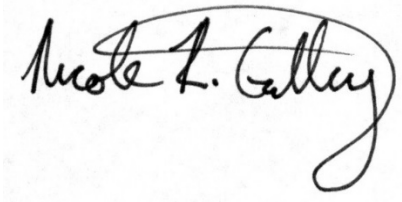
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 55 political subdivisions required to file a financial report by April 30, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in April 2019, after their filing deadline. The filing status for these 13 entities is presented in summary on page 3 and by individual entity in Appendix B-D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings
April 2019
Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 55 political subdivisions, other than cities, towns, and villages, with a fiscal year end of October 31, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 55 political subdivisions, 43 filed an annual financial report timely and 1 filed a financial report for only a portion of their fiscal year.

This report also includes the filing status for 13 political subdivisions, other than cities, towns, and villages, that filed their financial report in April 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2019

Fiscal Year Ended October 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	PWSD 1 Adair County	Yes	April 3, 2019
Atchison	Corning Levee District 2	Yes	December 5, 2018
	Fairfax Drainage District	Yes	March 25, 2019
Buchanan	DeKalb FPD	No	
Cape Girardeau	Little River Drainage District	Yes	April 8, 2019
Carroll	Baltimore Bend Levee District	Partial	May 24, 2018
	Wakenda Township Drainage District	Yes	April 3, 2019
Cass	58 Highway Regional Market Center CID	Yes	January 9, 2019
	Belton/Raymore Interchange TDD	Yes	April 26, 2019
	Foxridge CID	Yes	April 26, 2019
	Foxwood Village Shops CID	Yes	April 26, 2019
	Highway 58 & Dean Avenue CID	Yes	April 2, 2019
	Hubach Hill Road/North Cass Parkway CID	Yes	April 26, 2019
	Hubach Hill Road/North Cass Parkway TDD	Yes	April 26, 2019
	Jeter Farm CID	Yes	March 5, 2019
	Raymore Galleria CID	Yes	April 26, 2019
Clay	Smithville Commons CID	Yes	April 29, 2019
Cole	Capital Mall CID	Yes	April 22, 2019
	St. Mary's Hospital CID	Yes	April 29, 2019
Dade	Dade County R-IV Rural FPD	Yes	December 26, 2018
Gentry	Grand River Regional AD	Yes	March 14, 2019
Jackson	Ditzler CID	Yes	December 27, 2018
	Highway 350 CID	Yes	April 4, 2019
	PWSD 1 Jackson County	Yes	April 29, 2019
	Raytown Crossing CID	Yes	April 30, 2019
	Raytown Highway 350 TDD	Yes	April 26, 2019
	Raytown Square CID	Yes	April 29, 2019
Jasper	1717 Market Place TDD	No	
	510 Rangeline CID	No	
	Centennial Railroad TDD	Yes	February 11, 2019
	Joplin Public Library District	No	
	Northpark Lane CID	Yes	April 30, 2019
Jefferson	Auto Plaza CID	Yes	February 11, 2019
	Highway 21 TDD	Yes	February 11, 2019
	North Jefferson Ambulance District	Yes	December 5, 2018
	Valle Ambulance District	Yes	February 5, 2019
Knox	PWSD 1 Knox County	Yes	March 19, 2019
Lafayette	PWSD 1 Lafayette County	Yes	January 25, 2019
	Wellington-Napoleon FPD	Yes	April 30, 2019
Lewis	Gregory Levee District	Yes	February 22, 2019
	Lewis County NHD	No	
Macon	Callao Town & Country Volunteer FPD	No	
Montgomery	PWSD 1 Montgomery County	No	
New Madrid	Drainage District 18 New Madrid County	No	
	St. John's Bayou Basin DD	Yes	November 7, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2019

Fiscal Year Ended October 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Newton	Hope Valley CID	No	
Osage	Meta Fire & Rescue FPD	Yes	November 14, 2018
Platte	Platte City Market Center CID	Yes	April 25, 2019
Platte	PWSD 3 Platte County	Yes	April 7, 2019
Ray	Ray County Memorial Hospital	Yes	February 28, 2019
Ste. Genevieve	Ste. Genevieve Ambulance District	Yes	February 11, 2019
Sullivan	Sullivan County Memorial Hospital	Yes	March 4, 2019
Warren	Warrenton FPD	Yes	December 13, 2018
Wayne	Clearwater Ambulance District	No	
	East Wayne Ambulance District	No	
Total Filed		43	
Total Not Filed		11	
Total Partially Filed		1	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
DD	Drainage District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in April 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	Tuscany Village CID	Yes	April 4, 2019
Jackson	Raintree 150 Center CID	Yes	April 3, 2019
Platte	Tracy Highlands TDD	Yes	April 9, 2019
St. Charles	Zumbehl Road/Highway 94 CID	Yes	April 3, 2019
Total Filed		4	

Acronyms:

CID	Community Improvement District
TDD	Transportation Development District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due February 28, 2019
Filed in April 2019

Fiscal Year Ended August 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County NHD	Yes	April 15, 2019
Ripley	Ripley County Memorial Hospital	Yes	April 23, 2019
St. Louis	Richardson Crossing CID	Yes	April 5, 2019
Wayne	PWSD 3 Wayne County	Yes	April 15, 2019
Total Filed		4	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District
PWSD	Public Water Supply District

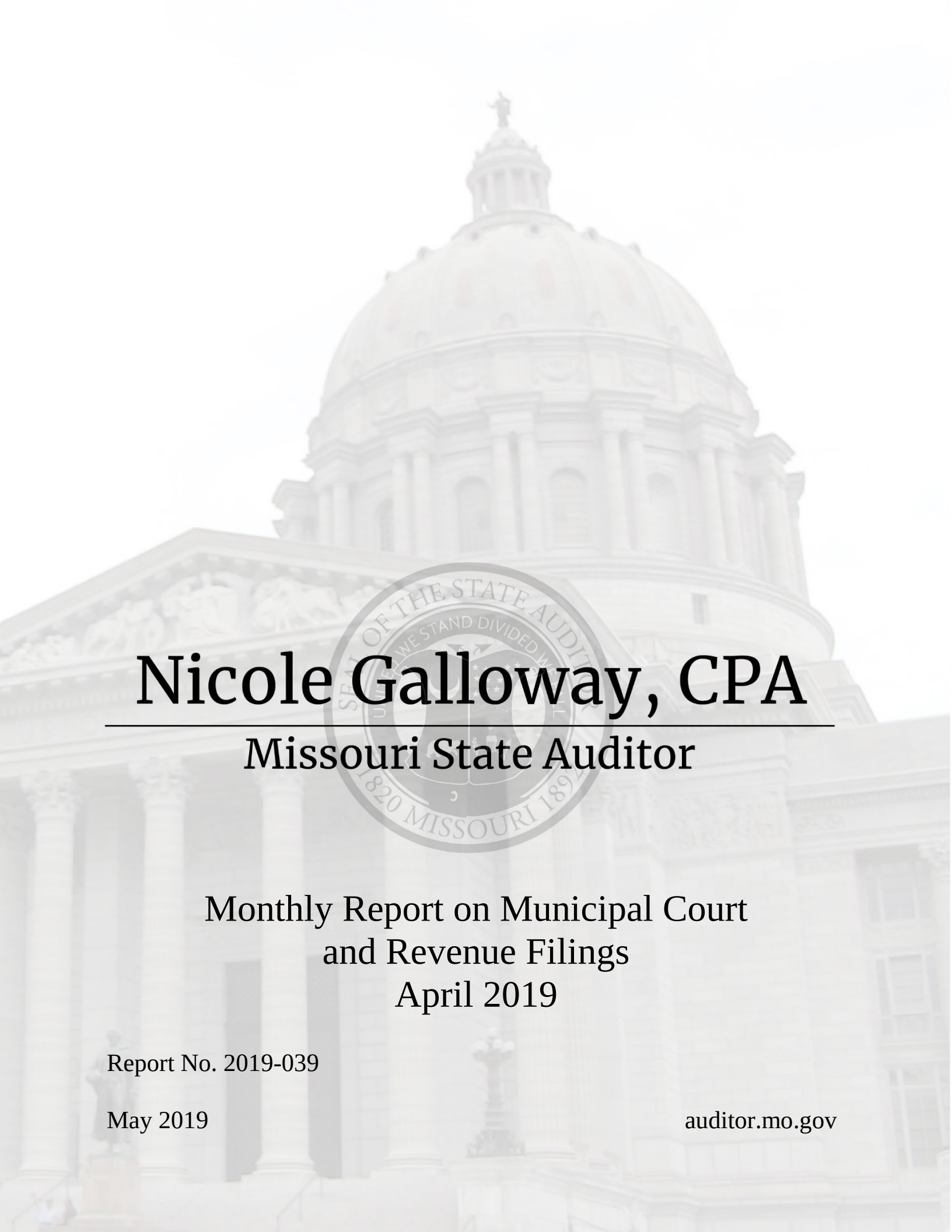
Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in April 2019

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Callaway	Millersburg FPD	Yes	April 17, 2019
Clay	PWSD 3 Clay County	Yes	April 22, 2019
Jackson	Sunrise Farms CID	Yes	April 15, 2019
Lafayette	Sni Valley FPD	Yes	April 19, 2019
Ripley	Ripley County Ambulance District	Yes	April 15, 2019
Total Filed		5	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
PWSD	Public Water Supply District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings April 2019

Report No. 2019-039

May 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
April 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

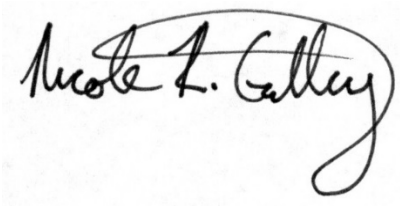
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by April 30, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 14 cities is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in April 2019, after their filing deadline. The filing status for these 30 cities, 1 town and 2 villages is presented in summary on pages 4 and by individual entity in Appendixes B to E.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 14 cities with a fiscal year end of October 31, 2018, whose financial reports, addendums, or certifications were due by April 30, 2019. Of the 14 municipalities required to file an annual financial report, 11 filed the report timely. Of the 13 municipalities required to file an addendum, 6 filed an addendum timely. Of the 8 municipalities required to file a certification, 4 filed a certification timely.

This report includes the filing status for 30 cities, 1 town and 2 villages that filed at least one of the items (financial report, addendum, or certification) in April 2019, after their filing deadline. Of these entities, 14 filed an annual financial report, 20 filed an addendum, and 9 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2019

Fiscal Year Ended October 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Raymore	Yes	April 5, 2019	No	No
Clay	City of Smithville	Yes	March 19, 2019	Yes	Yes
Cole	City of Jefferson City	Yes	April 26, 2019	Yes	Yes
Holt	City of Maitland	Yes	April 30, 2019	No	n/a
	City of Oregon	Yes	February 21, 2019	No	n/a
Jackson	City of Raytown	Yes	April 8, 2019	Yes	Yes
Jasper	City of Asbury	Yes	March 12, 2019	n/a	n/a
	City of Carterville	No		No	No
	City of Joplin	No		Yes	Yes
	City of Webb City	No		No	No
Jefferson	City of De Soto	Yes	March 21, 2019	No	No
Laclede	City of Conway	Yes	February 22, 2019	No	n/a
Linn	City of Marceline	Yes	April 17, 2019	Yes	n/a
Platte	City of Platte City	Yes	April 8, 2019	Yes	n/a
Total Filed		11		6	4
Total Not Filed		3		7	4
Total n/a		0		1	6

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018
Filed in April 2019

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Boone	City of Centralia	***	December 7, 2018	Yes	n/a
Total Filed		0		1	0

*** Filed after September 30, 2018, but before April 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in April 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Bates	City of Adrian	Yes	April 11, 2019	No	n/a
Cooper	City of Bunceton	**	October 10, 2018	Yes	n/a
Dade	City of Greenfield	**	September 19, 2018	***	Yes
Gentry	Village of Darlington	Yes	April 17, 2019	n/a	n/a
Monroe	City of Madison	***	March 18, 2019	Yes	n/a
Scott	Village of Commerce	Yes	April 2, 2019	n/a	n/a
Total Filed		3		2	1

** Filed by December 31, 2018.

*** Filed after December 31, 2018, but before April 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 28, 2019
Filed in April 2019

Fiscal Year Ended August 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Barton	City of Golden City	**	January 8, 2019	Yes	n/a
St. Charles	Town of Augusta	**	November 8, 2018	Yes	n/a
Taney	City of Forsyth	***	March 4, 2019	Yes	Yes
Total Filed		0		3	1

** Filed by February 28, 2019.

*** File after February 28, 2019, but before April 2019.

n/a Entities without a municipal judge are not required to file a certification.

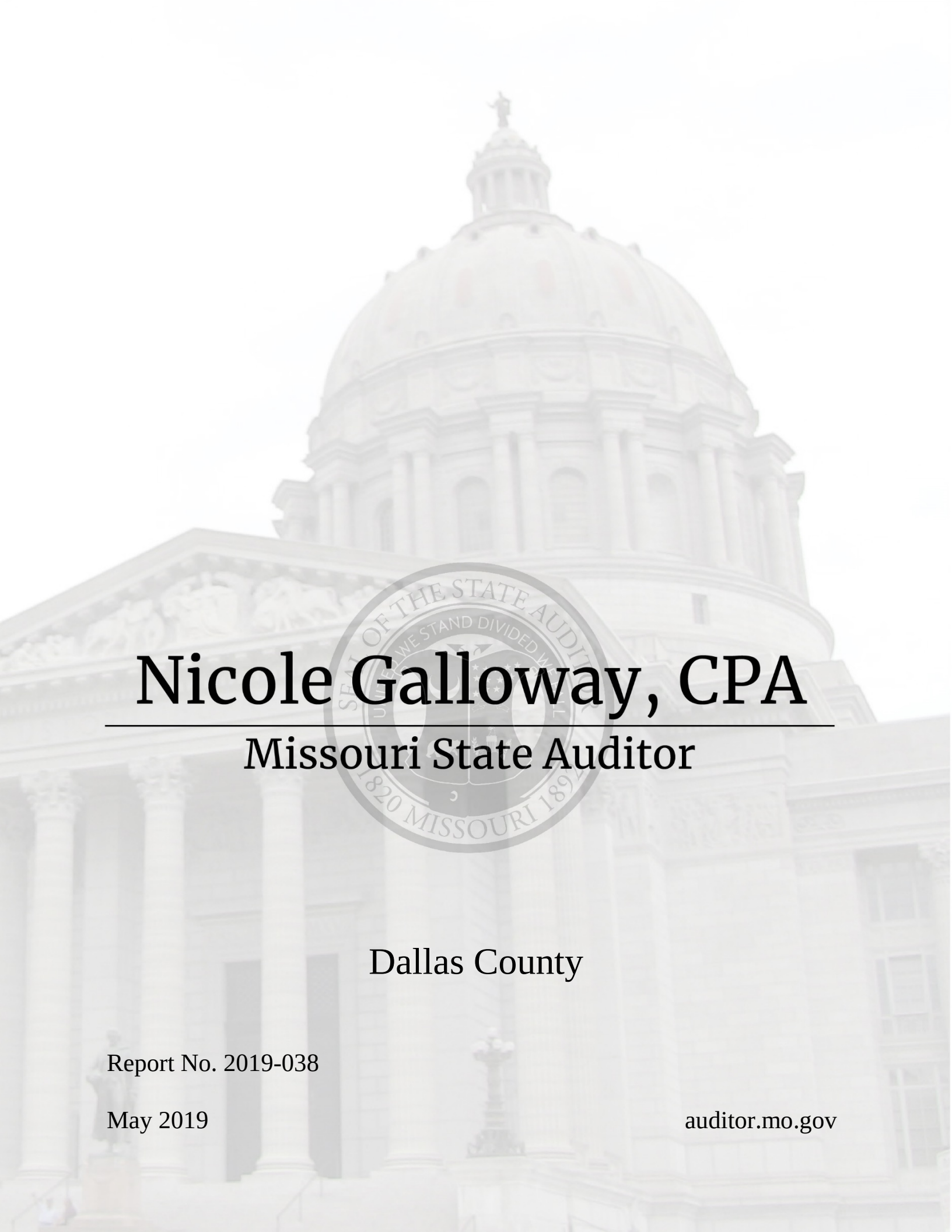
Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in April 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Audrain	City of Farber	**	January 8, 2019	Yes	n/a
Cedar	City of El Dorado Springs	Yes	April 15, 2019	**	**
Clay	City of Excelsior Springs	**	March 7, 2019	Yes	Yes
	City of North Kansas City	**	March 11, 2019	Yes	Yes
Dallas	City of Buffalo	Yes	April 15, 2019	Yes	n/a
Franklin	City of Washington	**	March 25, 2019	Yes	n/a
Henry	City of Urich	Yes	April 16, 2019	No	n/a
Lafayette	City of Concordia	Yes	April 15, 2019	Yes	n/a
Macon	City of Atlanta	Yes	April 23, 2019	n/a	n/a
Monroe	City of Monroe City	**	January 27, 2019	Yes	n/a
Pike	City of Bowling Green	**	March 4, 2019	Yes	n/a
Platte	City of Platte Woods	Yes	April 4, 2019	No	No
Pulaski	City of Dixon	Yes	April 17, 2019	No	No
St. Charles	City of Weldon Spring	Yes	April 17, 2019	Yes	Yes
St. Clair	City of Appleton City	**	January 31, 2019	Yes	n/a
	City of Osceola	**	February 14, 2019	Yes	n/a
St. Francois	City of Park Hills	Yes	April 11, 2019	Yes	Yes
St. Louis	City of Clayton	**	March 28, 2019	**	Yes
	City of Greendale	Yes	April 16, 2019	No	**
	City of Normandy	**	March 6, 2019	Yes	**
Ste. Genevieve	City of Ste. Genevieve	**	January 16, 2019	**	Yes
Stoddard	City of Advance	Yes	April 15, 2019	No	No
Stone	City of Branson West	**	March 21, 2019	Yes	Yes
Total Filed		11		14	7

** Filed by March 31, 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

Dallas County

Report No. 2019-038

May 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Dallas County

Sheriff's Inmate Monies and E-Cigarette Controls and Procedures	The Sheriff's office does not have adequate procedures for recording, depositing, and disbursing inmate monies. The Sheriff's office does not maintain adequate records to account for e-cigarettes purchased and sold to inmates and inventory remaining on hand. The Sheriff's office does not charge or collect sales taxes on e-cigarettes sales, and no sales taxes are remitted to the Missouri Department of Revenue.
Public Administrator's Controls and Procedures	The Public Administrator sold health and beauty goods totaling approximately $1,600 to a ward between July 2016 and February 2018 creating the appearance of a conflict of interest. The Public Administrator does not maintain adequate supporting documentation for fees assessed to wards and estates.
Recorder of Deeds' Bank Reconciliations	The Recorder of Deeds does not maintain an accurate check register balance and prepare adequate bank reconciliations.
Prisoner Boarding	The Sheriff does not have proper controls and procedures in place to ensure board bills for housing prisoners are collected.
County Procedures	The county has not established effective monitoring procedures over fuel and vehicle usage. The county does not report the value of personal (commuting) mileage for the personal use of county vehicles by a County Commissioner and 9 road and bridge department employees on their W-2 forms as required by the Internal Revenue Service. The County Commission has not issued an order or ordinance giving the Recorder of Deeds authority to provide passport services.
Electronic Data Security	The County Assessor, County Clerk, County Collector, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers in the offices of the County Collector, Recorder of Deeds, Public Administrator, Prosecuting Attorney, and County Assessor after a certain period of inactivity.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of anyone elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Dallas County
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Management Advisory Report - State Auditor's Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Dallas County

We have audited certain operations of Dallas County in fulfillment of our duties under Section 29.230, RSMo. In addition, McBride, Lock & Associates, LLC, Certified Public Accountants, was engaged to audit the financial statements of Dallas County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

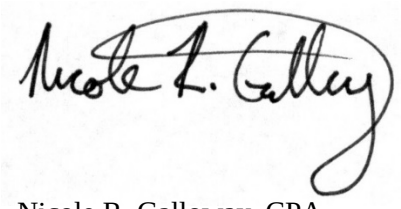
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dallas County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Marian Rader, M.Acct., CPA, CFE, CGFM
Audit Staff:	Misty Bowen, MSED
	Jacqueline E. Brown, MBA

1. Sheriff's Inmate Monies and E-cigarette Controls and Procedures

Controls and procedures over inmate monies and e-cigarettes need improvement. The Sheriff's office received $26,051 from inmates between January 1, 2017, and July 8, 2018.

1.1 Inmate monies

The Sheriff's office does not have adequate procedures for recording, depositing, and disbursing inmate monies. Inmate monies are not deposited, but are held in a safe in individual envelopes for each inmate until e-cigarettes are purchased by the inmate. A ledger indicating the total amount held and the amount held for each inmate is not maintained. In addition, cash returned to inmates upon release is not always documented.

We reviewed inmate receipt slips, e-cigarette sale records, and property release forms, which documented property, including cash, returned to the inmates upon release for 13 inmates between January 1, 2017, and July 8, 2018. We identified the following problems during our review.

- For 5 inmates, receipt slips issued exceeded e-cigarette sales by $965 and there is no money on hand for these inmates. The Sheriff's office could not locate property release forms for these inmates. For another inmate, receipt slips issued exceeded e-cigarette sales and the property release form by $60.

- E-cigarette sales exceeded receipt slips issued for 4 inmates by $271. The Deputy Sheriff responsible for selling e-cigarettes to inmates indicated his procedure is to determine the amount in each inmate's individual envelope before selling e-cigarettes and later take out cash from the envelopes for the e-cigarettes sold. However, 4 inmates purchased more e-cigarettes than they had cash available. He could not explain how this occurred.

Failure to implement adequate recording, depositing, and disbursing procedures increases the risk that loss, theft, or misuse of monies received will go undetected.

A similar condition was noted in our prior audit report regarding not properly receipting, recording, and depositing inmate monies.

1.2 E-cigarettes

The Sheriff's office does not maintain adequate records to account for e-cigarettes purchased and sold to inmates and inventory remaining on hand. In addition, periodic physical counts of the inventory are not performed. The Sheriff's office began selling e-cigarettes for $10 each to inmates in March 2017. According to expenditure records, the office purchased 2,725 e-cigarettes between March 2017 and August 15, 2018. Records indicate deposits for e-cigarette sales totaled $25,560 for the period March 2017

through August 15, 2018, indicating at least 2,556 e-cigarettes were sold. Our count of e-cigarettes on hand on August 15, 2018, was 106, resulting in a shortage of 63 e-cigarettes. As a result, records and procedures are not sufficient to account for e-cigarettes or monies collected, and loss, theft, or misuse may go undetected.

Adequate inventory records are necessary to account for e-cigarettes. Comparisons of e-cigarette purchases and sales to inventory records are necessary to ensure e-cigarettes and the associated monies are properly recorded and handled.

1.3 Sales tax

The Sheriff's office does not charge or collect sales taxes on e-cigarettes sales, and no sales taxes are remitted to the Missouri Department of Revenue (DOR). Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax.

The Sheriff should contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on e-cigarette sales and ensure all future sales tax collections are remitted to the DOR.

Recommendations

The Sheriff:

1.1 Establish procedures to deposit all inmate monies and maintain documentation to ensure all inmate's purchases are recorded and any remaining monies are disbursed to the inmate upon release.

1.2 Maintain inventory records of e-cigarettes, reconcile these records to e-cigarettes purchased and sold, and perform periodic physical inventory counts.

1.3 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on e-cigarette sales and ensure all future sales tax collections are remitted to the DOR.

Auditee's Response

1.1 We have ceased collecting inmate monies for e-cigarettes. The only inmate monies on hand now are received at intake, recorded on inmate property sheets, and refunded to inmates upon release. Depositing these monies is unnecessary as the amounts on hand are no longer significant and are stored securely in a locked safe.

1.2 We have outsourced the sale of e-cigarettes, and no longer maintain any inventory of e-cigarettes.

1.3 We have outsourced the sale of e-cigarettes, and the vendor is responsible for collecting sales tax on e-cigarettes.

2. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need improvement. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division and was responsible for 51 wards and estates during the year ended December 31, 2017.

2.1 Conflict of interest

The Public Administrator sold beauty and nutrition goods totaling approximately $1,600 to a ward between July 2016 and February 2018 creating the appearance of a conflict of interest. The Public Administrator is an independent consultant for a company that sells beauty and nutrition products directly to consumers. While the goods were sold to the ward at the Public Administrator's cost, selling goods to a ward while also managing the ward's assets creates the appearance of a conflict of interest.

Section 475.130, RSMo, states a conservator has a duty to act in the interest of the protectee and to avoid conflicts of interest which impair the conservator's ability to perform that duty. The appearance of a conflict of interest creates a situation that could prevent the Public Administrator from objectively performing her duties. To avoid conflict of interests or the appearance of a conflict of interest, the Public Administrator should consult the Circuit Judge, Probate Division, before selling goods to wards.

2.2 Fees

The Public Administrator does not maintain adequate supporting documentation for fees assessed to wards and estates. The annual fee assessed to some wards and estates is the total estimated time expended on all tasks multiplied by $25 an hour. The total annual fees collected from wards during the year ended December 31, 2017, was $4,512.

The Public Administrator does not maintain time records or other documentation to support the services provided and the amount of time charged to some wards for similar transactions was not consistent. For example, 4 wards were charged 5 minutes for each check issued while another ward was charged 15 minutes. In addition, the Public Administrator does not have documentation to support the hourly rate charged.

To ensure fees are properly assessed, the Public Administrator should maintain adequate supporting documentation of the time expended on services provided and for determining the hourly rate. Without adequate supporting documentation, there is less assurance fees charged to each ward or estate are fair, reasonable, and properly assessed.

Recommendations

The Public Administrator:

2.1 Avoid the appearance of a conflict of interest that could prevent her from objectively performing her duties.

2.2 Ensure fees assessed against wards and estates are supported by adequate documentation and are consistent between wards and estates.

Auditee's Response

2.1 I will no longer sell goods to wards.

2.2 Fees are adequately supported and consistent. I use checkbook registers to log time spent on conservator's accounts. As a one person office with 51 cases it is difficult to keep a timesheet on each specific ward contacts. I typically log 5 minutes for writing checks out; 15 – 20 minutes when I physically take a deposit to the bank since it is no longer located downtown; and 30 minutes to reconcile bank statements each month. My hourly charge on conservator accounts has been $25 since I took office in 2009. My prior settlements have been approved by the Probate Judge at the $25 rate. However, I will take the recommendation under advisement.

3. Recorder of Deeds' Bank Reconciliations

The Recorder of Deeds does not maintain an accurate check register balance and prepare adequate bank reconciliations. The Recorder of Deeds collected various fees totaling approximately $134,000 related to recording documents, such as marriage licenses and deeds, during the year ended December 31, 2017.

The Recorder of Deeds does not maintain an accurate check register balance. At the end of each month the Recorder of Deeds records the bank statement balance into the check register because the balance does not agree with the check register balance. For example, the December 31, 2017, check register balance was $11,226 before the Recorder of Deeds recorded the bank statement balance of $10,923 into the check register. Thus, a $303 adjustment was made to the check register balance. As a result, adequate bank reconciliations cannot be performed because deposits in transit and outstanding checks are not identified and any differences between the check register balance and the reconciled bank balance are not investigated and resolved.

Maintaining an accurate check register balance and performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely.

Recommendation

The Recorder of Deeds maintain an accurate check register balance, ensure monthly bank reconciliations are adequately performed, and promptly investigate and resolve differences between the check register balance and the bank reconciliations.

Auditee's Response

I am in the process of implementing this recommendation and am now making a print out of all outstanding items with each monthly statement. In addition, I will keep an accurate check register in the future.

4. Prisoner Boarding

The Sheriff does not have proper controls and procedures in place to ensure board bills for housing prisoners are collected. Records indicate the county received approximately $37,000 for prisoner boarding during the year ended December 31, 2017.

The Sheriff's Office Administrator prepares and sends board bills to other counties and cities upon release or transfer of an inmate. A copy of all board bills is kept but a listing of all amounts billed is not maintained. Board bill payments are made directly to the County Treasurer and the County Treasurer does not report amounts received to the Office Administrator. As a result, the Office Administrator cannot monitor billed amounts to ensure payments are received. In addition, the Sheriff has not performed an analysis to support the current daily billing rate of $45 and has not entered into written agreements with the surrounding counties and cities for the boarding of prisoners detailing the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations.

Procedures such as independent reconciliations of billing records to payments received should be established to ensure boarding of prisoners is properly billed, collected, and recorded. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of funds going undetected. In addition, to ensure the county is billing at a rate that adequately recovers all costs, amounts charged for boarding prisoners should be analyzed periodically and compared to billing rates.

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Recommendation

The Sheriff develop procedures to ensure collection of costs for boarding prisoners and proper recording of payments received. In addition, the Sheriff and the County Commission should periodically review the costs of boarding prisoners and establish billing rates sufficient to recover costs and obtain written agreements with the political subdivisions for which the county boards prisoners.

Auditee's Response

We are looking into options to implement this recommendation.

5. County Procedures

Improvements are needed in the county's procedures over tracking fuel and vehicle usage, reporting commuting miles, and providing passport services.

5.1 Fuel and vehicle usage

The county has not established effective monitoring procedures over fuel and vehicle usage. Approximately $144,000 was paid for fuel for vehicles and equipment at the road and bridge department during the year ended December 31, 2017.

The county does not maintain vehicle usage logs or record odometer readings on the fuel logs maintained to record the number of gallons pumped from the road and bridge department's fuel tanks, making it impossible to compare mileage to fuel usage and evaluate the reasonableness of fuel costs.

Maintaining and reviewing vehicle fuel and usage logs and comparing these usage logs to fuel purchases is necessary to ensure vehicles and equipment are properly utilized and decrease the risk of theft or misuse of fuel occurring without detection.

A similar condition was noted in our prior 2 audit reports.

5.2 Commuting miles

The county does not report the value of personal (commuting) mileage for the personal use of county vehicles by a County Commissioner and 9 road and bridge department employees on their W-2 forms as required by the Internal Revenue Service (IRS). As noted in section 5.1, vehicle usage logs indicating business and personal use of the vehicles were not maintained.

IRS reporting guidelines indicate personal and commuting mileage is a reportable fringe benefit and require the value for all use of the provided vehicle to be reported if the employer does not require submission of detailed logs that distinguish between business and personal use. In addition, the district may be subject to penalties and/or fines for failure to report all taxable benefits.

5.3 Passports

The County Commission has not issued an order or ordinance giving the Recorder of Deeds authority to provide passport services. In addition, the Recorder of Deeds' office does not retain the entire fee collected for providing passport services as required by state law. One half of the fee assessed for processing passport applications and renewals is disbursed to the office's Passport Fund. The other half of the fee is incorrectly disbursed to the county's General Revenue Fund. The Recorder of Deeds received approximately $18,000 for providing passport services during the year ended December 31, 2017.

Section 49.130, RSMo, states the County Commission may designate by order or ordinance any county officer to provide passport services if the Circuit Clerk does not offer passport services, and fees charged for the service shall be retained by the county office providing the service.

Recommendations

The County Commission:

5.1 Establish adequate records and procedures to effectively monitor vehicle and fuel use.

5.2 Comply with IRS guidelines for reporting fringe benefits related to personal miles and require logs that distinguish between business and personal use.

5.3 Issue an order or ordinance granting the Recorder of Deeds the authority to provide passport services. In addition, work with the Recorder of Deeds to ensure passport fees are retained in accordance with state law.

Auditee's Response

5.1 We will add odometer readings to the fuel log and review them periodically.

5.2 The County Commissioner's vehicle has never been used for personal use other than commuting while on call. Take home vehicles are now only allowed for two road and bridge employees and one of the County Commissioners. We will keep logs of all trips in the future to comply with IRS guidelines. All commuting mileage will be reported on the employees' W-2 forms.

5.3 We are working with the county's attorney to implement a court order, and will work with the Recorder of Deeds to ensure passport fees are handled in accordance with state law.

6. Electronic Data Security

Controls over county computers are not sufficient to prevent unauthorized access. As a result, county records are not adequately protected and are susceptible to unauthorized access.

6.1 Passwords

The County Assessor, County Clerk, County Collector, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure passwords remain known only to the assigned user.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed, there is less assurance access to computers and data files is effectively limited to only those employees who need access to perform their job responsibilities. Passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

6.2 Security controls

Security controls are not in place to lock computers in the offices of the County Collector, Recorder of Deeds, Public Administrator, Prosecuting Attorney, and County Assessor after a certain period of inactivity.

Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with the other county officials to:

6.1 Require confidential passwords that are periodically changed to prevent unauthorized access to county computers and data.

6.2 Require each county computer to have security controls in place to lock it after a certain period of inactivity.

Auditee's Response

We will work with the officials to implement these recommendations.

Dallas County
Organization and Statistical Information

Dallas County is a county-organized, third-class county. The county seat is Buffalo.

Dallas County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 66 full-time employees and 5 part-time employees on December 31, 2017.

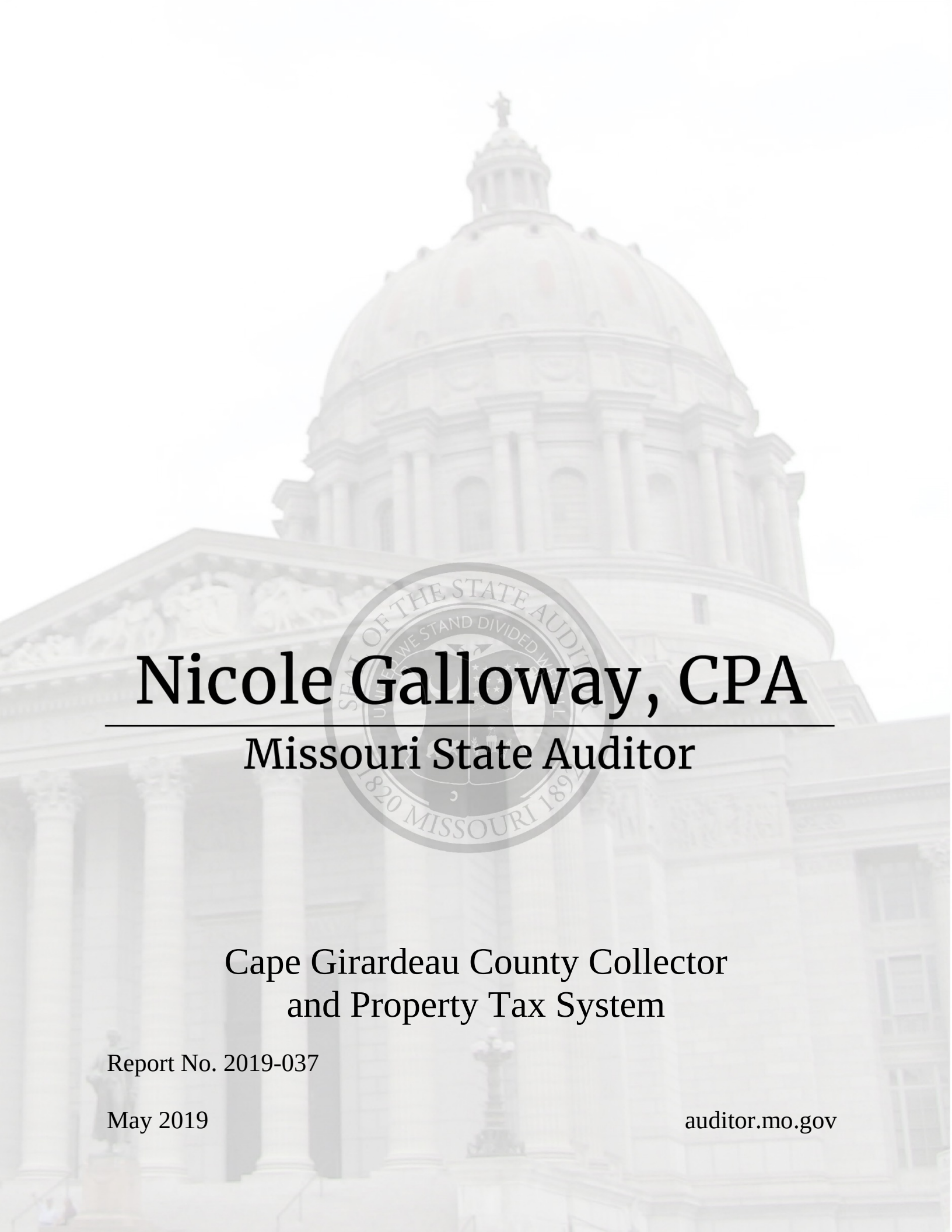
In addition, county operations include a Senior Citizens' Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Kevin D. Sharpe, Presiding Commissioner	$	28,400
Roger Bradley, Associate Commissioner		26,400
Jerry Brown, Associate Commissioner		26,400
Stacy Satterfield, Recorder of Deeds		40,000
Stephanie Hendricks, County Clerk		40,000
Barbara J. Viets, Prosecuting Attorney		137,745
Scott Rice, Sheriff		44,000
Becky Schofield, County Treasurer		40,000
Charles (Chuck) Nimmo, County Coroner		12,000
Carol Johnson, Public Administrator		40,000
Sheryl Ferrell, County Collector, year ended February 28,	40,000	
Emily Sue Doty, County Assessor, year ended August 31,		40,000
Greg Maynard, County Surveyor (1)		

(1) Compensation on a fee basis.



Nicole Galloway, CPA

Missouri State Auditor

Cape Girardeau County Collector and Property Tax System

Report No. 2019-037

May 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Cape Girardeau County Collector and Property Tax System

Property Tax System	The county has not adequately restricted the County Collector's access to the property tax system. The County Commission does not review or approve most property tax additions and abatements, and annual settlements were not complete and accurate. Refunds of overpayments related to errors in property tax records are not always properly recorded in the property tax system.

In the areas audited, the overall performance of this entity was **Good**.*

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Cape Girardeau County Collector and Property Tax System
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
County Collector
Cape Girardeau County, Missouri

We have audited the County Collector and Property Tax System of Cape Girardeau County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On November 30, 2018, a vacancy occurred in the office of the County Collector of Cape Girardeau County. A successor was appointed and sworn into office effective December 1, 2018. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2018, to November 30, 2018, and the year ended February 28, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.

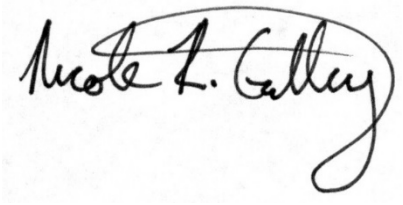
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Cape Girardeau County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	David T. Olson
Audit Staff:	Morgan Alexander

1. Property Tax System

Controls and procedures over the property tax system need improvement. The County Collector's office processed property taxes and other revenues of approximately $72.4 million for the year ended February 28, 2018.

1.1 System access

The county has not adequately restricted the County Collector's access to the property tax system. The County Collector has access rights that allow changes to be made to individual property tax amounts throughout the tax year. The County Collector rarely changes tax amounts but since the County Collector is responsible for collecting tax payments, good internal controls require the County Collector not have access rights allowing alteration of property tax information.

To prevent unauthorized changes to the property tax records, access should be limited based on user needs. Unrestricted access can result in the alteration of data files and programs.

1.2 Additions and abatements

The County Commission does not review or approve most property tax additions and abatements, and annual settlements were not complete and accurate.

The County Assessor and County Collector process additions and abatements and print a court order for review by the County Clerk and a copy of the court order is also provided to the County Auditor. The County Commission reviews and approves outlawed taxes, but the County Commission does not review or approve additions or other abatements. In addition, during the year ended February 28, 2018, additions and abatements (excluding outlawed taxes) were combined instead of being shown separately on the annual settlement.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is important the County Collector file complete and accurate annual settlements. Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. Documented reviews and approvals of additions and abatements would help ensure changes made to the property tax system are proper.

1.3 Overpayments

Refunds of overpayments related to errors in property tax records are not always properly recorded in the property tax system. If an error in a property tax record resulting in an overpayment is identified after the related tax has been paid, the County Assessor adjusts the assessed valuation of the property in the subsequent tax year so that the tax liability is reduced to offset the amount of the overpayment, and enters a note into the tax system to verify the accuracy of the assessed valuation in the following year. However, a refund check should be issued by the County Collector for tax overpayments instead

of the County Assessor changing assessed valuations to lower a future payment.

Section 53.030, RSMo, requires the County Assessor to take an oath to assess property at what the official believes to be the actual cash value, and no provision of law permits the County Assessor to change the assessment based on overpayment of tax. Making adjustments to assessed valuations to satisfy overpayments increases the risk of improper assessments in future years and loss of tax revenues.

Recommendations

1.1 The County Commission ensure property tax system access is limited to only the areas needed by each user to perform his/her job duties and responsibilities.

1.2 The County Commission review and approve all property tax additions and abatements. In addition, the County Collector prepare complete and accurate annual settlements.

1.3 The County Assessor discontinue the practice of changing assessed valuations for subsequent billings when overpayments occur.

Auditee's Response

1.1 The County Commission has limited the property tax system access and implemented policy controls to ensure no one person can both assess and collect taxes.

1.2 While the County Commission approved all abatements and additions annually, the County Collector's office, as of March 14, 2019, is submitting monthly additions and abatements to the County Commission for approval versus reporting the net change as was being done. The County Collector's annual settlement for the year ended February 28, 2019, has been corrected categorizing additions and abatements separately versus reporting the net change. The County Clerk with approval of the County Commission will make any corrections to the tax books.

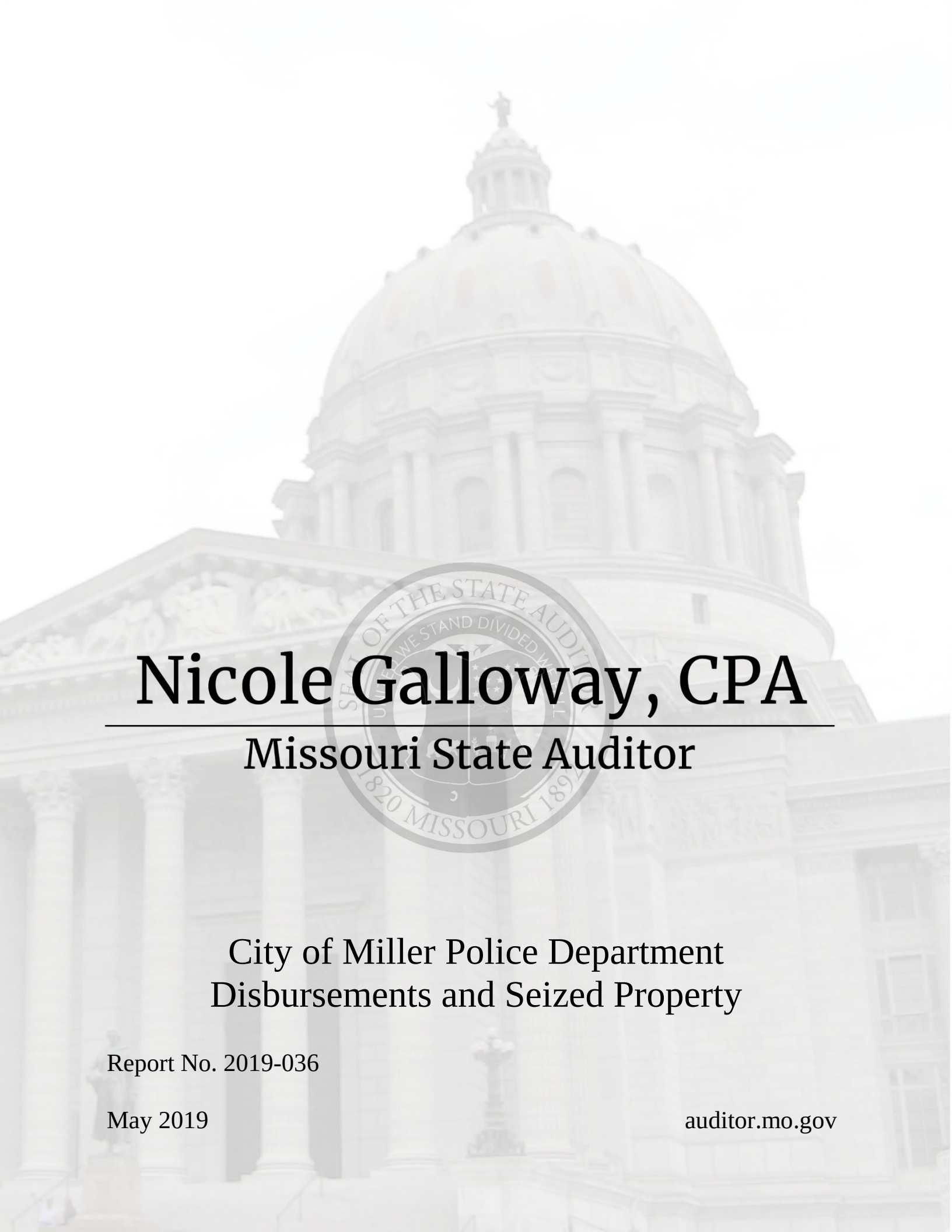
1.3 The County Assessor's office discontinued issuing Assessed Value Credits to offset overpayments caused by reporting errors. When errors occur, the County Assessor or Chief Deputy Assessor will verify funds availability with the County Collector or the Chief Deputy Collector for the relevant tax year. When available, a refund will be initiated by the County Assessor's office and executed by the County Collector's office.

Cape Girardeau County Collector and Property Tax System Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Diane Diebold served as County Collector until November 30, 2018. Barbara Gholson was appointed the Cape Girardeau County Collector and sworn into office on December 1, 2018.

The former County Collector received compensation of $63,078 for the period March 1, 2018, to November 30, 2018. During the year ended February 28, 2018, the former County Collector received compensation of $78,096. Compensation was in accordance with statutory provisions.



Nicole Galloway, CPA

Missouri State Auditor

City of Miller Police Department
Disbursements and Seized Property

Report No. 2019-036

May 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Miller Police Department Disbursements and Seized Property

Background	The former Police Chief, Joshua Bruce, was employed by the City of Miller from July 5, 2011, until he was placed on administrative leave on March 29, 2017, and subsequently terminated on May 4, 2017, for preparing and approving false timesheets showing time worked by his brother when he was not on duty, failing to prepare fuel records, submitting unsupported mileage reimbursements, making unauthorized purchases on credit cards, and using city funds to purchase surplus property for personal use. On August 31, 2011, the city, at the request of the former Police Chief, hired his brother, Randall Bruce, as a Lieutenant. He was also terminated on May 4, 2017, due to false timesheets. Former Police Chief Bruce was charged with multiple criminal counts of receiving stolen property (felony and misdemeanor) in July and August 2017, and former Lieutenant Bruce was charged with a felony criminal count of receiving stolen property in August 2017. Both of these criminal cases are ongoing. The Missouri State Highway Patrol (MSHP) conducted an investigation, and the Prosecuting Attorneys in Lawrence and Christian County filed the related charges. The State Auditor's Office (SAO) was petitioned to audit the city and began an audit on March 1, 2018, at which time we were informed of the MSHP investigation and criminal charges.
Improper Payroll Payments	The audit identified estimated improper payroll checks totaling $24,623 issued to the former Lieutenant but negotiated by the former Police Chief during the period August 2014 through March 2017. The city's payroll records showed significant and unexplained increases in the amounts paid to and hours worked by the former Lieutenant. In addition, the city could not provide timesheets to support 12 payments made to the former Lieutenant totaling $5,606, the former Police Chief falsely prepared 55 timesheets for his brother, and the former Police Chief improperly negotiated at least 64 of the total 67 payroll checks made payable to the former Lieutenant. The audit also identified $1,758 in improper overtime payments to the former Police Chief related to highway safety grants. Former Police Chief Bruce and the former City Clerk also did not maintain and submit all required records for the highway safety grants and as a result, the city owes $1,779 in grant funding back to the Missouri Department of Transportation's (MoDOT) Highway Safety and Traffic Division, and timesheets maintained by the city and hours claimed per grant documents showed several discrepancies.
Mileage Reimbursements, Fuel Purchases, and City Vehicle Use	Unsupported and excessive mileage reimbursements totaling $12,795 were paid to the former Police Chief; at least $3,598 of fuel purchases made using city's credit cards assigned to the former Police Chief are questionable; and the city did not report the value of personal (commuting) mileage to the Internal Revenue Service (IRS) as required.
Credit Card Purchases and Missing Assets	The former Police Chief used city credit cards to purchase personal items/services ($1,859) and numerous meals that were likely not related to city business ($362). The Board and former City Clerk did not perform adequate reviews of credit card statements, invoices, and other supporting documentation, and as a result, questionable purchases made by the former Police Chief went undetected for several years. The city lacks adequate

controls and procedures over police department property items, and does not properly track receipt and use of state and federal surplus property items. Several city assets, including state and federal surplus property items, are missing.

Donations and Seized Property

Cash donations received by the former Police Chief and seized property are missing, and controls and procedures over donations and seized property need improvement. Cash donations collected by the former Police Chief totaling $1,445 are missing. Various seized property items, including firearms and cash, are missing and the MSHP located some of these items at the former Police Chief's residence after his termination.

In the areas audited, the overall performance of this entity was **Poor**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Miller Police Department Disbursements and Seized Property
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Miller, Missouri

We have audited the City of Miller Police Department Disbursements and Seized Property. During our audit of certain operations of the City of Miller in fulfillment of our duties under Section 29.230, RSMo, we were made aware of improprieties with some disbursements and seized property and determined additional work was necessary to review transactions of the police department. The scope of our audit included, but was not necessarily limited to, the period from January 1, 2014, through March 31, 2017. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions as they relate to the police department.

2. Evaluate the city's compliance with certain legal provisions as they relate to the police department.

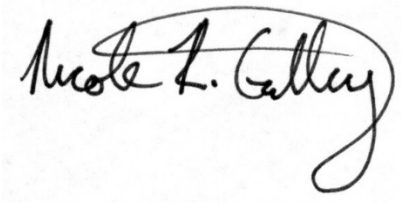
3. Determine the amount of improper payments and questionable disbursements, and the extent of missing assets and seized property.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) improper payments totaling $26,381, questionable disbursements totaling at least $18,614, missing donations of $1,445, and numerous missing assets and seized property items. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Miller Police Department Disbursements and Seized Property.

An additional report, Report No. 2019-035, *City of Miller*, was issued in May 2019.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	Troy Royer
Audit Staff:	Terese Summers, MSAS, CPA
	Ethan D. Evans

City of Miller Police Department Disbursements and Seized Property
Introduction

Background

The former Police Chief, Joshua Bruce, began employment with the City of Miller (in Lawrence County) on July 5, 2011. He was placed on administrative leave on March 29, 2017, and was subsequently terminated by the city on May 4, 2017, for preparing and approving false timesheets showing time worked by his brother when he was not on duty, failing to prepare fuel records, submitting unsupported mileage reimbursements, making unauthorized purchases on credit cards, and using city funds to purchase surplus property for personal use. On August 31, 2011, the city, at the request of the former Police Chief, hired his brother, Randall Bruce, as a Lieutenant. He was also terminated on May 4, 2017, due to false timesheets. Former Lieutenant Bruce served as the City of Clever (in Christian County) Police Chief during the period he was employed by the City of Miller. The Clever City Clerk indicated Randall Bruce was a salaried employee and expected to work a minimum of 40 hours per work week (Monday through Friday).

Former Police Chief Bruce was charged with multiple criminal counts of receiving stolen property (felony and misdemeanor) in July and August 2017, and former Lieutenant Bruce was charged with a felony criminal count of receiving stolen property in August 2017. Both of these criminal cases are ongoing. The Missouri State Highway Patrol (MSHP) conducted an investigation, and the Prosecuting Attorneys in Lawrence and Christian County filed the related charges. Former Police Chief Bruce refused to cooperate with the MSHP investigation or be interviewed. The State Auditor's Office (SAO) was petitioned to audit the city and began an audit on March 1, 2018, at which time we were informed of the MSHP investigation and criminal charges. Audit work by the SAO confirmed the former Police Chief and his brother, former City of Miller Lieutenant/former City of Clever Police Chief, had misappropriated city monies, assets, and seized property, and identified additional monies improperly paid to the former Police Chief.

The MSHP indicated in a probable cause statement dated August 21, 2017, that during his time of employment with the city the former Police Chief stole approximately $27,481 in payroll, donation money, and equipment from the city. The probable cause statement also identified numerous firearms missing from evidence or stolen by the former Police Chief, some of which were located at the former Police Chief's residence.

The MSHP provided the SAO various records obtained through the agency's investigation including city records, investigative reports, interviews, and a time records analysis prepared by the Mid-States Organized Crime Information Center (MOCIC).

The MOCIC used Lawrence County computer aided dispatch (CAD) records,[1] City of Clever dispatch records,[2] and personal cell phone tower activity[3] to prepare the analysis. The time record analysis prepared by MOCIC pertained to the period August 1, 2016, through March 28, 2017. The MSHP also provided personal bank account records for a joint bank account held by the Bruce brothers for the period December 18, 2015, through May 17, 2017. The MSHP executed search warrants at the former Police Chief's residence on July 27, 2017, and August 18, 2017.

The lack of segregation of duties and adequate controls, and the absence of proper oversight, as discussed in the City of Miller, report No. 2019-035, issued in May 2019, resulted in the unsupported and improper payroll payments; overpayments; unsupported mileage reimbursements; questionable disbursements, and missing assets, donations, and seized property going undetected for a significant period of time.

[1] The City of Miller contracts with Lawrence County for dispatch services; therefore, these records were used to determine if the former City of Miller Lieutenant/former City of Clever Police Chief was working in the City of Miller during times reported on his timesheet.

[2] The City of Clever maintains its own dispatch services; therefore, these records were used to determine if the former City of Miller Lieutenant/former City of Clever Police Chief was working in Clever instead of Miller during the hours reported on his timesheet. The former City of Miller Lieutenant/former City of Clever Police Chief reported the start and end time of each shift worked with dispatch.

[3] Personal cell phone activity from towers in Miller and Clever were used to determine if the former City of Miller Lieutenant/former City of Clever Police Chief was working in the Clever or Miller area during the hours reported on his timesheet.

1. Improper Payroll Payments

The audit identified estimated improper payroll checks totaling $24,623 issued to the former Lieutenant, Randall Bruce, but negotiated by the former Police Chief, Joshua Bruce, during the period August 2014 through March 2017.

The audit also identified $1,758 in improper overtime payments to the former Police Chief related to highway safety grants. Some grant records were not maintained or submitted for grant funds received, and as a result, the city is being required to repay funds to the granting agency.

The Missouri State Highway Patrol (MSHP) investigation determined the former Police Chief stole $24,801 in payroll by forging numerous time records for his brother, the former Lieutenant from August 2011 through March 2017. Our review of city payroll records and the related payments made to the former Police Chief and former Lieutenant, and the time records analysis provided by the MSHP identified the following concerns, which further confirmed improper payroll payments occurred.

1.1 Improper payments and timesheets

The city's payroll records showed significant and unexplained increases in the amounts paid to and hours worked by the former Lieutenant. The city could not provide timesheets for some payroll checks issued to the former Lieutenant. The former Police Chief also improperly prepared timesheets for his brother, the former Lieutenant, and some of the timesheets prepared were not accurate. The related payroll checks issued to the former Lieutenant were also improperly negotiated by the former Police Chief.

Significant increases in reported hours

City personnel indicated the former Police Chief's brother was hired on August 31, 2011, to work limited hours on an as needed basis with no set schedule or hours established, while also serving as the City of Clever Police Chief on a full-time basis. City payroll records showed significant increases in the amounts paid to and hours worked by the former Lieutenant for the years ended December 31, 2014, 2015, and 2016, and in the first 3 months of 2017 in comparison to the years ended December 31, 2012, and 2013.

	(1)	Year Ended December 31,					(2)
	2011	2012	2013	2014	2015	2016	2017
Gross wages	$ 2,957	1,179	1,107	3,420	9,531	13,230	3,600
Hours reported as worked	329	131	123	380	1,059	1,400	381
Pay periods worked/Total pay periods available	8/8	8/24	5/24	13/24	24/24	24/24	6/6

(1) August 31 through December 31, 2011

(2) January 1 through March 31, 2017

The average number of hours reported as worked per pay period by the former Lieutenant was consistent in 2012 and 2013, but began to significantly increase in August 2014 and continued to increase through March 31, 2017.

The former Lieutenant's pay rate was $9.00 per hour during 2011 through 2015 and $9.45 per hour during 2016 and 2017.

The former Lieutenant only worked during 8 of 24 pay periods during 2012, 5 of 24 pay periods during 2013, and 4 of the first 14 pay periods of 2014. During the first 14 pay periods of 2014, the former Lieutenant's timesheets reported he only worked 52 hours; however, during 9 of 10 of the remaining pay periods (August through December) his timesheets showed he worked 328 total hours. Timesheets indicate the former Lieutenant worked every pay period during 2015, 2016, and 2017, until his termination, unlike earlier years where pay periods with reported hours were sporadic. An explanation of the significant increase in hours worked was not documented by the former Lieutenant, former Police Chief, or other city officials. Particularly for 2015, 2016, and 2017, reported hours seemed high considering the former Lieutenant's time obligations for the City of Clever. Also, former city personnel and police officers indicated the former Lieutenant rarely had a physical presence in the City of Miller.

The former Lieutenant indicated in a MSHP interview that he did not prepare or sign any of his timesheets, did not work the number of hours reported to the city, and was aware his W-2 forms were incorrect (more wages than he expected based on work performed). He also stated he did not notify anyone of the apparent problems and filed the W-2 forms, without questioning, with his personal income tax returns because he did not want to raise any red flags with the Internal Revenue Service (IRS).

Unsupported payments

The city could not provide timesheets to support 12 payments made to former Lieutenant Bruce totaling $5,606 for the following pay periods.

Pay Period	Hours Worked (1)	Check Date	Check Number	Gross Payroll Amount	Check Amount
09/16/14 through 09/30/14	80	09/30/14	3862	$ 720	633
01/16/15 through 01/31/15	48	01/29/15	4109	432	395
05/01/15 through 05/15/15	24	05/14/15	4336	216	199
05/16/15 through 05/31/15	31	05/29/15	4361	279	258
07/01/15 through 07/15/15	32	07/14/15	4461	288	265
10/01/15 through 10/15/15	62	10/15/15	4654	558	506
12/01/15 through 12/15/15	41	12/14/15	4785	369	339
12/15/15 through 12/31/15	54	12/30/15	4811	486	443
04/01/16 through 04/15/16	67	04/14/16	5069	633	569
04/16/16 through 04/30/16	48	04/29/16	5089	454	414
05/01/16 through 05/15/16	61	05/12/16	5131	576	522
01/01/17 through 01/15/17	63	01/12/17	5710	595	547
Total	611			$ 5,606	5,090

(1) Hours worked were calculated based on hourly rate and gross pay.

The former City Clerk indicated for the undocumented payroll payments, the former Police Chief would verbally provide or indicate the number of hours worked on a slip of paper, and that some of these notes were thrown away after payment. Due to the lack of documentation, the propriety of these payments cannot be evaluated or determined, and these payments are included in the improper payroll estimate.

Falsified timesheets

According to former city personnel, the former Police Chief prepared 55 semi-monthly timesheets for his brother, the Lieutenant, and submitted them to the former City Clerk for payment during the time period January 1, 2014, through March 29, 2017.[4] The former Lieutenant did not review or sign these timesheets and was paid $24,175 (gross pay) during these pay periods (see Supporting Documentation for Falsified Timesheets). Of these 55 timesheets, 53 were not signed and 2 timesheets were initialed "RB" (Randall Bruce) in the former Police Chief's scripted handwriting. The former Lieutenant indicated in a MSHP interview, that he did not prepare or sign any of these timesheets submitted to the City Clerk for payment.

Time record analysis

The time record analysis prepared by Mid-States Organized Crime Information Center (MOCIC) for the period of August 1, 2016, through March 28, 2017, showed significant discrepancies in dates and times claimed to have been worked for the City of Miller by the former Lieutenant. We used the time record analysis information obtained from dispatch and cell phone tower records to determine how much of the time claimed to have been worked during this period was supported. Only 64.5 (8 percent) of the 857 hours reported as worked during this time period were corroborated, 721.5 hours (84 percent) were improperly reported, and the remaining 71 hours of work (8 percent) could not be determined.

Conflicting schedules

We also compared the hours reported as worked on the former Lieutenant's timesheets to the dates and times of City of Clever City Council meetings (where he was employed as Police Chief) and noted problems with hours reported as worked. For example, the City of Clever Council meeting minutes indicated the former Lieutenant was present at Council meetings held on October 18, 2016, December 20, 2016, January 17 and 24, 2017, February 21, 2017, and March 21, 2017, and that each meeting started at 6:30 p.m. However, the former Lieutenant's City of Miller timesheets indicated he worked from 4 p.m. until 12 a.m. on October 18, 2016; from 6 p.m. until 12 a.m. on December 20, 2016; from 5 p.m. until 12 a.m. on January 17, 2017; from 6 p.m. until 12 a.m. on January 24, 2017; from 4 p.m. until 12 a.m. on February 21, 2017; and from 6 p.m. to 10 p.m. on March 21, 2017. Considering the time of the council meetings in Clever, it was not possible for the former Lieutenant to have worked all of these hours in Miller.

[4] No payments were made to the former Lieutenant during 11 pay periods in 2014; therefore, no timesheets were needed for these pay periods.

Inaccurate timesheets

The timesheets prepared for the former Lieutenant were not always accurate. The total hours reported as worked did not always agree to the start and end times of work recorded on the timesheets. For example, the former Lieutenant's timesheet indicated he worked from 3 p.m. until 10 p.m. (7 hours) on Sunday, August 21, 2016; however, the total hours reported as worked on the timesheet was 10 hours. As a result, the former Lieutenant was incorrectly paid for 10 hours rather than 7 hours (overpayment of 3 hours).

Improperly negotiated checks

The former Police Chief improperly negotiated at least 64 of the total 67 payroll checks made payable to the former Lieutenant during the period January 1, 2014, through March 31, 2017. Of these 67 checks, 37 checks were endorsed "RB" with the additional endorsement of "Joshua Bruce" applied with both endorsements written in former Police Chief's scripted handwriting, 19 checks were endorsed "RB" in the former Police Chief's scripted handwriting, 6 checks were endorsed "Joshua Bruce" in the former Police Chief's scripted handwriting, and 2 checks were signed "Randall Bruce" with the additional endorsement of "Joshua Bruce" in the former Police Chief's scripted handwriting. Because images of the remaining 3 checks could not be obtained from the bank, we could not evaluate those endorsements. Many of these checks were deposited into a joint bank account maintained by the Bruce brothers. The former Lieutenant indicated in a MSHP interview that the former Police Chief gave him his City of Miller paychecks when he was first employed, but eventually the former Police Chief deposited these payroll checks into their joint account. The former Lieutenant also indicated in the interview that he did not endorse most paychecks issued to him by the City of Miller.

Estimated improper payments

Based on our detailed review of city payroll records and related procedures for the period January through March 2017, the MSHP investigative report documents and interviews, the MOCIC time analysis results, and discussions with former city personnel, it is likely a significant portion of the former Lieutenant's compensation was improper. We estimated improper payroll payments for the period August 1, 2014, through March 31, 2017 (the time period for which we noted significant increases in amounts paid and hours worked), using hours reported as worked for the City of Miller (from timesheets, handwritten notations of hours worked from the former Police Chief, and/or former City Clerk's handwritten notations of hours worked based on verbal instructions from the former Police Chief; however, some of the notes were thrown away after payment). We estimated the total improper payments using the 84 percent rate (improperly reported hours worked) determined in the MOCIC detailed time analysis previously discussed.

	August 1 through December 31, 2014	Year Ended December 31, 2015	2016	January 1 through March 31, 2017	Total
Gross wages	$ 2,952	9,531	13,230	3,600	$ 29,313
Percentage applied	84%	84%	84%	84%	84%
Estimated improper payments	$ 2,480	8,006	11,113	3,024	$ 24,623

The lack of sufficient reviews or oversight over the payroll process and transactions allowed these improper payments to occur and go undetected for a significant period.

In addition to the estimated $24,623 in improper payroll, the remainder of the report discusses other problems we identified regarding the former Police Chief, including improper overtime payments, excess mileage reimbursements, questionable fuel use and meal purchases, and improper handling of city assets and seized property.

1.2 Highway safety overtime grants

Former Police Chief Bruce and the former City Clerk did not maintain and submit all required records for 3 highway safety grants and as a result, the city owes $1,779 in grant funding back to the Missouri Department of Transportation's (MoDOT) Highway Safety and Traffic Division. In addition, the former Police Chief improperly requested and was paid $1,758 by the city for overtime related to these grants.

Four grants provided funding for overtime incurred during a driving while intoxicated (DWI) enforcement campaign from August 19, 2016, through September 5, 2016 ($579); a child passenger safety week campaign from September 18, 2016, through September 24, 2016 ($500); a holiday DWI enforcement campaign from December 15, 2016, through January 1, 2017 ($600); and a St. Patrick's Day DWI enforcement campaign from March 16, 2017, through March 19, 2017 ($600). The grant agreements required the city to provide timesheets, salary and payment verification, and an Overtime Enforcement Manpower report form with reimbursement requests. Other records were also required to be retained by the city including timesheets, dispatch records, and a report of traffic stops and activities performed during the grant hours. However, city officials submitted incomplete and inaccurate records, and did not maintain other required records.

In January 2018, a MoDOT investigator contacted former Police Chief Nay (Nay was promoted to Police Chief after former Police Chief Bruce's termination) and requested copies of payroll records showing grant time worked, dispatch records, traffic stop records, and records of other law enforcement activities completed during the hours worked on the grants; however, no records were provided to the MoDOT at that time.

On September 27, 2018, the MoDOT notified the city that an audit of the police department's traffic overtime grants identified the city had failed to maintain and submit accurate records to support the reimbursement of overtime hours worked by the police officers for 3 of the 4 grants, and that repayment of all funds received for these grants must occur. After receiving this notification, city officials compiled some records (timesheets, paystubs, and checks) to submit to the MoDOT for review. The additional submitted information did not satisfactorily meet grant requirements and the city received an invoice dated January 11, 2019, requesting repayment of $1,779.

Our review of timesheets maintained by the city and hours claimed per grant documents submitted to MoDOT by the former Police Chief for reimbursement showed the following discrepancies.

Per Grant Claim Form			Per Employee Timesheet		
Date Worked	Officer	Hours Worked	Date Worked	Officer	Hours Worked
			08/27/16	Welker	3.5
08/28/16	Welker	8.0	08/28/16	Welker	4.5
08/29/16	Nay	7.0	09/03/16	Nay	3.0
			09/01/16	Bruce	4.0
			09/02/16	Bruce	4.0
09/04/16	Bruce	13.0	09/03/16	Bruce	5.5
09/21/16	Welker	6.0	09/21/16 (1)	Welker	6.0
12/28/16	Peck	2.5	01/01/17	Peck	2.5
12/29/16	Nay	4.0	12/31/16	Nay	4.0
12/30/16	Bruce	10.5	(2)		
12/31/16	Bruce	10.5	(3)		

(1) The date recorded on the timesheet by Officer Welker was marked through and altered to this date in the former Police Chief's scripted handwriting.

(2) The former Police Chief's timesheet indicated he did not work on this day.

(3) The former Police Chief's timesheet indicated he worked 16 hours on this day, but did not indicate that any of the hours related to this grant, as other timesheets indicated.

The table shows that many of the discrepancies pertained to the former Police Chief. Also, the reimbursement claim form submitted for the holiday DWI enforcement campaign from December 15, 2016, through January 1, 2017, for $600 was improperly signed, "Lt. R Bruce" in Joshua Bruce's scripted handwriting.

In addition to inaccurately reporting time worked on grant reimbursement requests, the former Police Chief improperly requested and was paid $1,758 by the city for overtime related to these grants, even though he was not entitled to receive overtime compensation. The grant agreements do not allow for reimbursement of hours that do not constitute overtime by local policy.

The following chart shows the checks issued to former Police Chief Bruce for work related to the highway safety grants.

Check Date	Check Number	Gross Amount of Check	Grant Hours Claimed
09/19/16	5416	$ 371	13.5 hours worked from 09/01 to 09/03/16
09/29/16	5429	357	13 hours worked on 09/18, 09/20, 09/21/16
12/30/16	5663	508	21 hours worked on 12/30 and 12/31/16
03/31/17	5885	522	19 hours worked on 3/16 and 3/18/17
	Total	$ 1,758	

Failure to retain adequate documentation of grant disbursements limits the city's ability to prove compliance with grant agreement terms and conditions. To ensure the propriety of all city disbursements, the Board should review and approve all grant disbursements prior to payment and claim forms prior to submission.

Recommendations

The Board of Aldermen:

1.1 Continue to work with law enforcement officials regarding criminal prosecution of improper payments issued to the former Lieutenant and negotiated by the former Police Chief, and take the necessary actions to obtain restitution.

1.2 Develop procedures to ensure requirements are met for any future grants obtained and work with MoDOT to resolve the grant repayment request. In addition, the Board should continue to work with law enforcement officials regarding criminal prosecution of the improper overtime payments issued to the former Police Chief, and take the necessary actions to obtain restitution.

Auditee's Response

1.1 We will continue to work with law enforcement officials regarding criminal prosecution and take the necessary actions to obtain restitution.

1.2 In the future, before any grant payments are sought, the City Clerk, Mayor, and the Board of Aldermen will develop procedures to review all information to ensure proper and accurate information is submitted and all grant requirements are met. Our city attorney has been in correspondence with MoDOT to come to a resolution of this matter, and any repayments will be made upon resolution with MoDOT. We will continue to work with law enforcement officials regarding criminal prosecution and take the necessary actions to obtain restitution.

2. Mileage Reimbursements, Fuel Purchases, and City Vehicle Use

Unsupported and excessive mileage reimbursements totaling $12,795 were paid to the former Police Chief; at least $3,598 of fuel purchases made using city's credit cards assigned to the former Police Chief are questionable; and the city did not report the value of personal (commuting) mileage to the IRS as required.

The following table presents mileage reimbursements to and fuel purchases by the former Police Chief and bulk fuel purchases for the police department from July 1, 2014, through March 29, 2017. This information was obtained from city records.

	Year Ended June 30,		Period July 1, 2016, through
	2015	2016	March 29, 2017
Mileage reimbursements to former Police Chief	$ 6,139	4,981	1,675
Credit card fuel purchases by former Police Chief	1,496	2,247	802
Police department bulk fuel purchases	3,214	2,157	3,184
Total	$10,849	9,385	5,661

The former Police Chief lived in the City of Clever and typically used a city-owned patrol vehicle to commute to and from work. Former city officials indicated that sometimes he would drive a personal vehicle. Mileage from his home to the police department was 69 miles round trip, and mileage logs were not maintained for city or personal vehicles. Personal property tax records for 2014, 2015, 2016, and 2017 tax years, obtained from the Lawrence County Collector, indicate the former Police Chief owned a diesel truck and another truck that used unleaded fuel.

Former city employees indicated in interviews with the MSHP that the former Police Chief used city bulk fuel tanks and city credit cards to fuel up both city-owned and personal vehicles, and that he also requested reimbursements for miles driven in his personal vehicle. Former city officials indicated city employees were expected to obtain fuel for city-owned vehicles from the bulk fuel tanks and only use the city credit card to purchase fuel when traveling out of the area, and that the former Police Chief used 3 credit cards to make purchases. The police department did not maintain bulk fuel usage logs and the city reimbursed the former Police Chief for mileage at 36 cents per mile.

Unsupported and excessive mileage reimbursements

Unsupported and excessive mileage reimbursements totaling $12,795 were paid to the former Police Chief during the period of July 1, 2014, through March 29, 2017. Adequate supporting documentation of mileage reimbursements paid to the former Police Chief was not maintained, and in some instances no documentation was maintained.

The former Police Chief reported a total number of miles requested for reimbursement on his semi-monthly timesheets with no details regarding date

of travel, daily miles driven, destination, or the business purpose. There was no separate reporting of mileage incurred. Some timesheets did not report any miles claimed and some timesheets were not maintained, yet the former Police Chief was reimbursed for mileage for the corresponding time periods. The former City Clerk indicated for the undocumented mileage reimbursements the former Police Chief would verbally provide or indicate the number of miles requested for reimbursement and the former City Clerk would note this on a slip of paper, some of which were thrown away after payment.

Considering the lack of supporting documentation, the Chief's frequent use of a city-owned vehicle rather than his personal vehicle(s), local fuel purchases charged to the city's credit card contrary to city practice, and the use of bulk fuel to fuel personal vehicles, we concluded that all miles claimed for reimbursement by the former Police Chief were improper. Also, based on the number of miles claimed, the average miles per workday the former Police Chief would have driven ranged from 39 (lowest number of miles claimed) to 684 (highest number of miles claimed). This is not reasonable considering city limits cover only about 7/10 of one square mile.

The following table shows the mileage reimbursements paid to the former Police Chief.

Check Date	Check Number	Miles Claimed	Amount of Mileage Reimbursement
07/15/14	3706	6,842 (1)	$ 2,463
07/24/14	3713	3,465 (1)	1,247
08/13/14	3750	1,118 (1)	402
08/20/14	3780	1,539 (1)	554
09/10/14	3818	1,285 (1)	463
10/24/14	3910	730 (1)	263
12/29/14	4033	891 (1)	321
05/14/15	4344	1,184 (1)	426
08/12/15	4506	1,453	523
08/25/15	4535	385	139
09/10/15	4567	1,103	397
10/09/15	4649	1,045 (1)	376
11/10/15	4699	1,389	500
11/24/15	4733	1,245	448
02/11/16	4899	1,545 (1)	556
02/25/16	4929	761	274
03/10/16	4965	1,258 (1)	453
04/12/16	5038	928	334
05/11/16	5108	891	321
06/27/16	5214	1,833	660
08/09/16	5328	1,349	486
09/19/16	5417	1,948	701
01/30/17	5725	586 (1)	211
03/08/17	5819	769 (1)	277
	Totals	35,542	$ 12,795

(1) Mileage was not reported on timesheets for checks issued in 2014 and 2017, and timesheets were not retained for checks dated 05/14/15, 10/09/15, 02/11/16, and 03/10/16; however, we calculated the number of miles claimed for these pay periods using the amount paid and the mileage reimbursement rate of 36 cents.

To ensure reimbursement requests are reasonable and represent valid disbursements, the city should require use of a reimbursement form to document mileage incurred.

Questionable fuel purchases

Some fuel charges on the city's credit cards used by the former Police Chief are questionable. During the period July 1, 2014, through March 29, 2017, the former Police Chief purchased $1,253 of fuel from gas stations in Clever, $394 of fuel from gas stations in Miller, and $1,951 of fuel from gas stations

in neighboring areas[5] within 50 miles of the City of Miller using the city's credit card (purchases totaled $3,598). In addition, $1,265 of these purchases occurred on weekends and $574 were for diesel fuel, with almost all of these purchases occurring in neighboring areas. Given that the former Police Chief was expected to only use the city's credit card to purchase fuel when traveling out of the area, these local fuel purchases totaling $3,598 are questionable. The former Police Chief also documented on some of the weekend fuel invoices that the purpose of the fuel was to take evidence to the lab; however, the MSHP lab is not open on weekends. Also, city officials indicated the only police vehicles that used diesel fuel were 2 Humvees obtained through a federal surplus property program that were not taken outside city limits, and should have only been fueled at the city's bulk tanks. Therefore, the diesel fuel charges are questionable and likely for the former Police Chief's personal diesel vehicle. Because of the lack of bulk fuel logs, further analysis of bulk fuel use was not completed.

Personal use of city vehicle

The city did not report the value of personal (commuting) mileage for the former Police Chief's personal use of a city vehicle on his W-2 forms as required by the IRS and the city did not follow the city code. As previously noted, the former Police Chief frequently used a city vehicle to commute between his home in Clever and the City of Miller, and he used city bulk fuel tanks and city credit cards to purchase fuel. However, vehicle logs were not maintained to distinguish between personal commuting and city business related mileage, and personal mileage was not reported on W-2 forms. Based on mileage from his home to the police department (69 miles round trip), we estimated the former Police Chief could have accumulated approximately 17,250 in annual commuting miles (50 weeks of the year). In addition, allowing city employees to take their vehicles home (outside of city limits), results in additional and unnecessary costs to the city. In addition, city code 100.240 states "city-owned vehicles shall not be used for other than official city business…."

IRS regulations do not consider commuting of police department employees in clearly marked public safety vehicles a taxable benefit when specific criteria are met; however it is not clear the vehicle usage of the former Police Chief always met this criteria. The IRS reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. Because procedures have not been established to ensure the IRS regulations are followed, the city may be subject to penalties and/or fines for failure to report all taxable benefits. Mileage logs should be maintained that clearly distinguish between official or city business and commuting use, and taxable benefits should be reported on the employees' W-2 forms.

[5] Neighboring areas including Republic, Springfield, Mt. Vernon, Aurora, Marionville, Nixa, Billings, Sarcoxie, and Ozark, Missouri.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of unsupported and excessive mileage reimbursements issued to the former Police Chief, questionable fuel purchases, and take the necessary actions to obtain restitution. In addition, the Board should comply with IRS guidelines for reporting fringe benefits and ensure mileage logs clearly distinguish between official or city business and commuting use.

Auditee's Response

We will continue to work with law enforcement officials regarding criminal prosecution and take the necessary actions to obtain restitution. We have implemented a new detailed mileage form to be submitted monthly. The issue of "commuting mileage" has been discussed prior to the release of this audit, and there will be no compensation for this type of mileage. In the police department's Standard Operating Procedures (SOPs), we added that a patrol log must be filled out with starting time and mileage, as well as ending time and mileage. These logs will be turned in at the end of the employee's work week, so they can be reviewed with timecards and paychecks. If a personal vehicle is used to go to training, a copy of the training registration, and certificate of completion, if available, or training materials will be attached to the mileage reimbursement request. In regards to the negligence of reporting to the IRS on forms W-2, we will also have the city attorney look into this matter and advise us on what action to take, if any. The Board is in the process of approving police department SOPs, and there is a section that addresses the purchasing of fuel. The fuel must be purchased at a local gas station, and receipts must be turned in or the purchaser will be held liable for the cost.

3. Credit Card Purchases and Missing Assets

The former Police Chief used city credit cards to purchase personal items/services ($1,859) and numerous meals that were likely not related to city business ($362). In addition, supporting documentation was not retained for numerous other city credit card purchases made by the former Police Chief, and other meals purchased using the city credit cards looked excessive and lacked adequate supporting documentation. The MSHP located numerous city assets at the former Police Chief's residence after his termination, and several other city assets are missing.

3.1 Personal and unsupported purchases and questionable meals

The Board and former City Clerk did not perform adequate reviews of credit card statements, invoices, and other supporting documentation, and as a result, questionable purchases made by the former Police Chief went undetected for several years.

Personal purchases

The following personal purchases were made by the former Police Chief from February 1, 2014, through March 29, 2017.

Date of Purchase	Item/Service Purchased	Amount
02/08/14	Fuel purchased in Kansas City, Kansas (1)	$ 64
02/08/14	Shooting range fees in Olathe, Kansas (1)	102
02/08/14	Shooting range fees in Olathe, Kansas (1)	81
02/09/14	Charge to hotel in Kansas City, Missouri (1)	32
04/17/15	Paslode framing nailer (2), nails	319
08/02/15	Lumber, trim, Cardinals key chain, misc. items	90
08/09/15	2 Vacuums, paper towels, toilet paper	279
08/09/15	Paint, plastic sheeting, light bulbs	56
08/17/15	Building supplies	62
08/30/15	6 - 5 gallon buckets, duct and industrial tape	31
12/13/15	Premium retractable hose and coupler	70
12/13/15	24 inch Quickie squeegee	26
12/26/15	Bosch indoor laser distance measurer, 14 piece bit set	111
01/07/16	Swiffer sweeper, refills, household cleaning supplies	55
02/21/16	15 - 8 foot landscaping timbers	52
03/06/16	2 boxes of spike nails	41
04/27/16	6 quarts of oil, 200 count of shop towels	42
05/03/16	Custom lights, accessories for personal truck	310
12/30/16	Apple iTunes	6
01/20/17	Apple iTunes	30
	Total	$ 1,859

(1) The former City Clerk indicated to the MSHP that the Board of Aldermen did not authorize the former Police Chief to travel to Olathe, Kansas.

(2) Item found at the former Police Chief's home by the MSHP.

Each of these disbursements was determined to be a personal purchase based on our review of available documentation and/or discussions with city personnel.

Unsupported purchases

Supporting documentation was not submitted or retained for numerous other credit card purchases made by the former Police Chief throughout the period of January 1, 2014, through March 29, 2017. For example, the following disbursements made by the former Police Chief for the period January 1 through May 31, 2016, did not have supporting documentation.

Date	Vendor	Amount
01/16/16	O'Reilly Automotive	$ 22
01/28/16	Rick's Tire Shop	57
02/11/16	Walmart	14
02/19/16	Frog's Detailed Specialties	30
03/03/16	Southern Uniform and Equipment	174
03/07/16	Lowe's	30
03/11/16	Walmart	399
03/11/16	Walmart	58
03/11/16	SQ M&D Tactical	280
03/14/16	Lowe's	99
03/15/16	Old School Auto Parts	15
03/28/16	Walmart	163
04/11/16	Amazon Marketplace	100
05/03/16	Amazon Marketplace	100
05/03/16	Amazon Marketplace	34
05/06/16	Amazon Marketplace	68
05/09/16	Amazon Marketplace	151
	Total	$ 1,794

No other city departments made purchases from Amazon Marketplace during the period of our review. Without supporting documentation, we could not evaluate whether these purchases were for personal or city purposes. In addition, without adequate supporting documentation and proper approval, city officials cannot evaluate the purpose of these purchases.

Improper and questionable meals

The former Police Chief frequently used a city credit card to purchase meals that did not appear proper and/or to benefit the city. Many of the meals were purchased in areas between his home and the city or in other neighboring areas as follows.

Date	Vendor	Location	Amount
08/12/14	Subway	Mt. Vernon	$ 31
07/27/15	McDonald's	Mt. Vernon	10
07/27/15	McDonald's	Mt. Vernon	4
08/10/15	McDonald's	Mt. Vernon	14
10/20/15	Qdoba	Springfield	17
10/21/15	Firehouse Subs	Springfield	21
02/26/16	Bootleggers Restaurant	Aurora	22
03/26/16	Taco Bell	Mt. Vernon	17
04/07/16	McDonald's	Marshfield	14
05/07/16	The Burger Shack	Miller	19
10/03/16	McDonald's	Mt. Vernon	57
01/04/17	McDonald's	Monett	6
01/04/17	McDonald's	Monett	16
01/04/17	McDonald's	Monett	7
01/16/17	Buffalo Wild Wings	Branson	53
01/26/17	Bamboo House	Lamar	22
01/27/17	Tractors BBQ	Lamar	32
		Total	$ 362

The city does not have a formal written policy regarding meal reimbursements, but city officials indicated the city's practice is for employees to use city credit cards only for meals when overnight travel is required. Therefore, the meals purchased from local areas were likely personal. In addition, we did not see any instances of other police officers receiving reimbursement for meals within local areas.

Also, adequate documentation including the business purpose of meals and the persons in attendance was not always maintained, and some of the itemized invoices showed multiple meals being purchased. As a result, some meals purchased looked excessive and/or questionable.

Date	Vendor	Location	Amount
08/07/14	Lutz's Famous BBQ (1)	Jefferson City	$ 28
11/17/14	Chili's (2)	Jefferson City	26
11/18/14	Chili's (2)	Jefferson City	30
11/19/14	Arris' Pizza (3)	Jefferson City	27
07/12/15	Chili's (1)	Osage Beach	40
07/14/15	Bandana's BBQ (2)	Osage Beach	22
07/14/15	Applebee's (4)	Osage Beach	44
07/14/15	Buffalo Wild Wings (1)	Lake of the Ozarks	34
07/15/15	Zen Asian Restaurant (3)	Osage Beach	25
07/16/15	El Charco Azul (3)	Osage Beach	21
04/07/16	Prison Brews (5)	Jefferson City	44
07/22/16	Lutz's Famous BBQ (1)	Jefferson City	53
08/19/16	Lutz's Famous BBQ (1)	Jefferson City	32
08/26/16	Lutz's Famous BBQ (5)	Jefferson City	65
03/27/17	Sub Shop (6)	Columbia	20
03/27/17	Texas Roadhouse (6)	Columbia	31
03/28/17	G & D Pizzeria (6)	Columbia	28
		Total	$ 570

(1) Multiple meals purchased and no indication of purpose or attendees.

(2) One meal and appetizer and no indication of purpose or attendees.

(3) No itemized invoice or indication of purpose or attendees.

(4) Multiple meals purchased and no indication of attendees. Purpose was documented as training.

(5) No supporting documentation.

(6) No itemized invoice or indication of attendees. Purpose was documented as training.

Also, the city does not have a formal policy regarding documentation required for meal reimbursements. The lack of a formal written policy and detailed supporting documentation, including the purpose and list of individuals attending, makes it difficult for city officials to ensure the propriety of payments made for meal expenses.

3.2 Missing assets

The city lacks adequate controls and procedures over police department property items, and does not properly track receipt and use of state and federal surplus property items. Some police department assets and state and/or federal surplus property items were located at the former Police Chief's residence by the MSHP after the former Police Chief's termination, and the city cannot account for some assets.

The city obtained state and federal surplus property items from the Missouri State Agency for Surplus Property (SASP) and federal Defense Logistics Agency (DLA) 1033 Program[6] through the state Department of Public Safety (DPS). The SASP distributes state and federal surplus property to eligible entities for a nominal service charge. The 1033/LESO Program makes excess military property available to state and local law enforcement agencies through the DPS at no cost.

Surplus property and 1033/LESO Program

The former Police Chief purchased some items from the SASP that are missing. In addition, some items obtained by the City of Miller through the 1033/LESO Program are also missing.

Surplus property items located at the former Police Chief's residence after his termination included a Panasonic Toughbook laptop computer purchased by the city on November 24, 2015, for $250, and a Whirlpool Duet steam dryer purchased by the city on November 25, 2014, for $50. In addition, a Dell D630 laptop computer transferred from DPS through the 1033/LESO Program to the City of Clever on April 12, 2012, was also located at the former Police Chief's residence. City officials indicated they were unaware these items were being used by the former Police Chief at his home and not for city business.

The DLA conducted a 1033/LESO Program inventory with the MSHP at the city on July 19, 2017, and determined 7 reflex sights were missing. Other items likely received through the SASP and 1033/LESO Program were also located at the former Police Chief's residence, such as a cold weather tent set, night vision case, and knee pads. Because these items were not tagged and did not have other identifying information, their source could not be definitely determined; however, items of this nature were included on the lists of items obtained by the city from these programs.

In addition, the city purchased/received an excessive amount of equipment and supplies from these programs given the city employed only the former Police Chief and 6 part-time police officers (including former Lieutenant Bruce) at the time the items were obtained. For example, the city received 15 large field packs, 11 rifleman sets, 18 regular field packs, and numerous computers and monitors. Many of the items obtained are missing such as assault packs, field packs, computers, monitors, clothing, rifleman sets, and tools. In addition, the city has no procedures in place to monitor SASP purchases or items transferred through the 1033/LESO Program. The Board approved checks issued to the SASP, but did not review and approve surplus property invoices or account for the items purchased.

[6] Renamed the Law Enforcement Support Office (LESO) Program in 2016.

Items purchased from the SASP should be used for city purposes and not converted to personal use. According to state and federal regulations, surplus property acquired through the state must be used by the authorized public agency making the purchase for promoting public services for the residents of the political subdivision. In addition, Federal Management Regulation 41 CFR Section 102-37.450 requires that federal surplus property be used only for its approved purpose, placed in use within 1 year, and used for at least 1 year by the eligible donee. 1033/LESO Program policies require all acquired property be deployed for law enforcement use only.

To ensure the validity and propriety of surplus property purchases and compliance with state and federal regulations, and to decrease the risk of theft or misuse of city assets occurring without detection, procedures should be established to monitor and account for surplus items obtained.

City assets

The Police Department did not maintain records or perform periodic inventories of weapons used by the department. Also, city officials failed to ensure city assets in the possession of the former Police Chief were returned at the time of his termination, including a Glock 19 pistol and a pressure washer, located at the former Police Chief's residence by the MSHP after his termination. The city purchased the pistol for $525 on November 18, 2015. Former city employees indicated to the MSHP that the former Police Chief took a city-owned pressure washer home with him, and the former Police Chief indicated to the MSHP at the time of a search warrant service that the pressure washer located at his residence belonged to the city.

In addition, the former Police Chief circumvented the city's normal disbursement process and purchased a Springfield-Armory MIA semi-automatic rifle from an area tactical vendor on July 7, 2016, for $1,685 with cash. The former Police Chief provided a letter to the vendor stating the purchase was being made for use by the Miller Police Department. The vendor indicated the letter was provided as documentation because background checks are not required for gun purchases made by police departments for official use by qualified officers. This vendor invoice showed the customer as the City of Miller and included another rifle, a Rock River AR-15, costing $1,100, also paid for with cash. However, a letter was not provided showing this rifle was a city purchase. City officials indicated they did not authorize the purchase of either rifle and did not know the source of the cash funds used to make these purchases. The MIA rifle was located at the former Police Chief's residence after his termination; however, the Rock River AR-15 is missing. Former city officials indicated additional city assets are missing such as printers, monitors, ballistic vests, and an electric drill.

Failure to properly account for city assets and establish termination procedures that require and document the return of city assets increases the potential for loss and theft to occur. In addition, to ensure all purchases are legitimate and properly approved for payment, disbursements should be

processed through the city's normal disbursement process in compliance with city code 135.090 that states, "All supplies and contractual service, except as otherwise provided in this chapter, when estimated cost thereof shall exceed one thousand dollars ($1,000.00), shall be purchased by formal, written contract from the lowest responsible bidder, after due notice inviting proposals…."

Recommendations

The Board of Aldermen:

3.1 Continue to work with law enforcement officials regarding criminal prosecution of personal, unsupported, and excessive purchases and take the necessary actions to obtain restitution. In addition, the Board should establish and maintain appropriate policies and procedures regarding meal expenses.

3.2 Continue to work with law enforcement officials regarding criminal prosecution of missing city assets. The Board should also establish controls and procedures to monitor and account for city assets, and ensure compliance with applicable surplus property regulations.

Auditee's Response

3.1 We will continue to work with law enforcement officials regarding criminal prosecution and take the necessary actions to obtain restitution. In the summer of 2018, after these concerns were identified, the Board passed an ordinance that addresses meal expenses.

3.2 We will continue to work with law enforcement officials regarding criminal prosecution and take the necessary actions to obtain restitution. We currently use a spreadsheet provided by the 1033/LESO Program to inventory items we receive. We will create a spreadsheet to track items previously received by each department. This will make it easier to add and delete inventory, and document a disposal date for inventory no longer in use. Each department head will conduct the inventory for his/her department, and present it to the Mayor. This is something the Mayor will oversee each year moving forward, with the inventory going to the Board for review. We have also implemented a spreadsheet to track "duty equipment" issued to Police Department employees that will document dates items are checked out and returned.

4. Donations and Seized Property

Cash donations received by the former Police Chief and seized property are missing. Controls and procedures over donations and seized property need improvement.

4.1 Donations

Cash donations collected by the former Police Chief totaling $1,445 are missing. A citizen indicated in a written statement provided to the MSHP that

he donated $2,000 (cash) for the purchase of body cameras and $2,400 (cash) for the purchase of tasers to the city, and he gave the donations to the former Police Chief.

However, city records show the former Police Chief only transmitted $1,800 to the city for deposit in December 2016, therefore it is likely $200 of that donation is missing. The former Police Chief purchased body cameras on November 26, 2016, for $1,820, the vendor billed the city $1,820 on April 7, 2017, and the city subsequently paid this bill on April 26, 2017.

City records show that the former Police Chief did not transmit any of the $2,400 cash donation to the city for deposit. The former Police Chief instead issued a personal check on March 10, 2017, for $1,155 to pay for 3 tasers. The city cannot account for the $2,400 donation or the 3 tasers. The invoice for the 3 tasers was addressed to the City of Miller.

In addition, receipt slips were not issued and other records of donations received were not maintained by the former Police Chief or the city. To ensure donated monies are handled in the manner intended by the donor, receipt slips should be issued, and a record of all donations received and how the monies are spent should be maintained.

4.2 Seized property

Various seized property items, including firearms and cash, are missing and the MSHP located some of these items at the former Police Chief's residence after his termination. The city lacks controls and procedures over seized property. The former Police Chief did not maintain a comprehensive listing of all seized property, did not conduct periodic inventories of seized property, and access to seized property was not adequately restricted.

The City of Miller police department seized 11 firearms in January 2007. During the inventory conducted by the new Police Chief, new evidence officer, and the MSHP shortly after the former Police Chief was placed on administrative leave these firearms could not be located. Two of the seized firearms, a Browning 2000 20-gauge shot gun and a Savage Model 99 rifle were located at the former Police Chief's residence by the MSHP. The former Police Chief sold one of the seized firearms, a Mossberg 12-gauge pump action shotgun, to an individual for $150 on January 19, 2012, and transmitted the monies to the city for deposit. However, a court order authorizing the disposal of this shotgun was not obtained as required. The former Police Chief traded one of the firearms, a Glock Model 30 pistol, to a local vendor for a $320 credit on the personal purchase of a Cold Defender 9 millimeter gun on December 4, 2011. On December 30, 2011, the former Police Chief bought that firearm back from the vendor. The remaining 7 firearms, including 2 Remington Model 700 rifles, a Ruger Model 10/22 rifle, a Husqvarna Vapenfabriks 22 rifle, a Ruger Mini 14 semi-automatic rifle, a Ruger MKII Pistol, and a Smith and Wesson Model 19 pistol are still missing. In addition,

$8,000 in cash seized during a traffic stop in July 2016 could not be accounted for during the inventory and has not been located.

Despite the problems identified, the city has not taken steps to improve controls and adopt policies and procedures for the handling of seized property items and cash. Such policies and procedures should require that complete and accurate logs of seized property are maintained, periodic physical inventories of seized property are conducted and results compared to records, and access to seized property is adequately restricted.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property.

Recommendations

The Board of Aldermen:

4.1 Continue to work with law enforcement officials regarding criminal prosecution of the missing donations and take necessary actions to obtain restitution. In addition, the Board should ensure receipt slips or other records of donations received are maintained.

4.2 Continue to work with law enforcement officials regarding criminal prosecution of the missing seized property and take necessary actions to obtain restitution. In addition, the Board should also ensure seized property records are accurate and complete, a periodic inventory is taken and reconciled to the property records, and access to all seized property is adequately restricted.

Auditee's Response

4.1 We will continue to work with law enforcement officials regarding criminal prosecution and take the necessary actions to obtain restitution. We have added an addendum to our employee handbook that no employee shall accept donations of any kind, on behalf of the city. The employee is to direct the donor to City Hall, where the City Clerk will give the donor a receipt that documents the purpose of the donation. The purpose of the donation will also be recorded in the city's accounting system.

4.2 We will continue to work with law enforcement officials regarding criminal prosecution and take the necessary actions to obtain restitution. Our previous Police Chief Neely implemented an evidence/property form to use when property/evidence is seized. We have also moved the police department to City Hall, which will help deter any future officers from misconduct. There was an evidence room built and in the room are lockers dedicated by "types of evidence." The room remains locked at all times, access is restricted, and proper chain of custody procedures are followed. We will consider adding inventory procedures for seized property/evidence currently on hand to the Police Department SOPs.

City of Miller Police Department Disbursements and Seized Property
Supporting Documentation for Falsified Timesheets

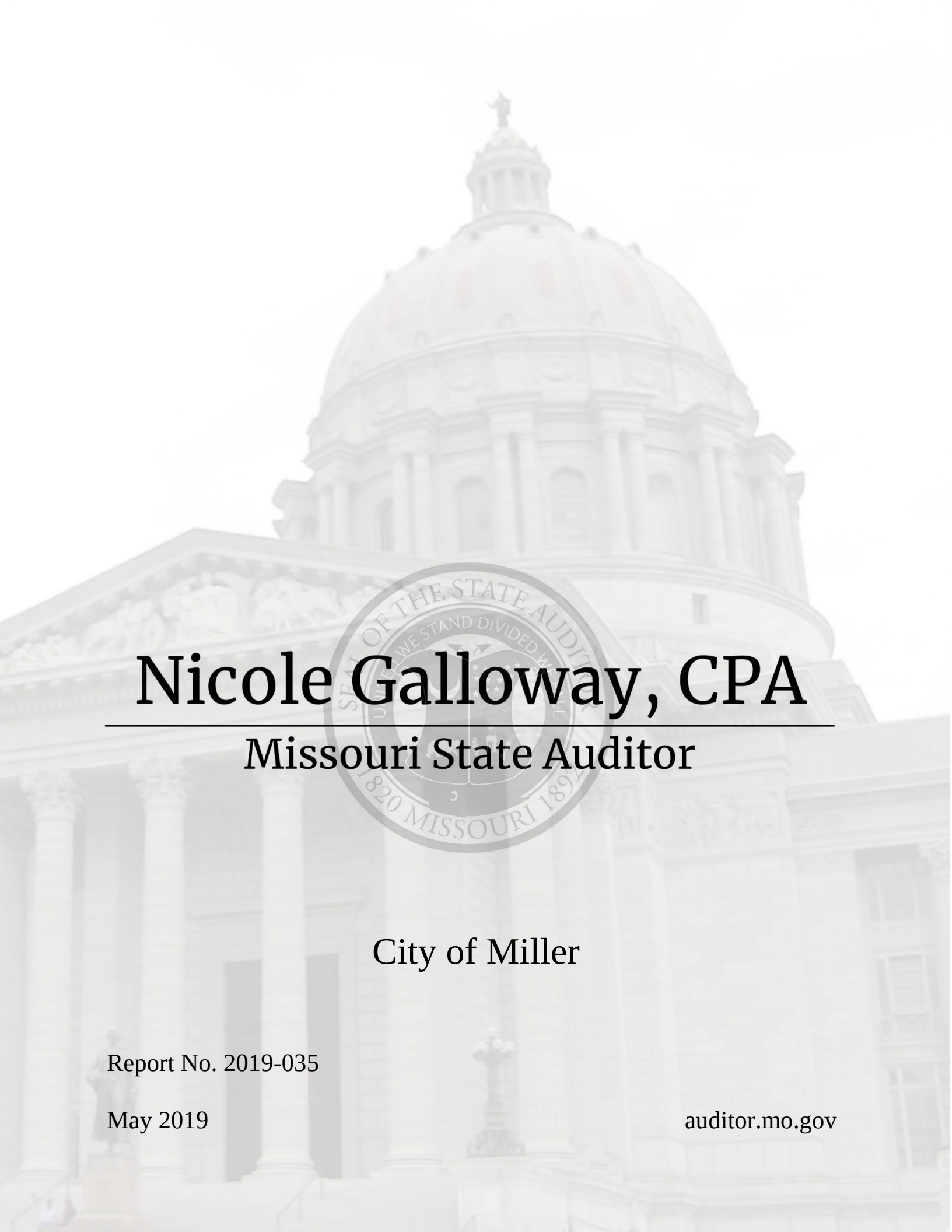
Check Details				
Check Date	Check Number	Gross Pay Amount	Check Amount	Pay Period
03/21/14	3401	$ 135.00	124.67	03/01/2014 through 03/15/2014
05/29/14	3537	216.00	199.48	05/16/2014 through 05/31/2014
06/12/14	3569	45.00	41.56	06/01/2014 through 06/15/2014
06/30/14	3668	72.00	66.50	06/16/2014 through 06/30/2014
08/15/14	3772	126.00	116.36	08/01/2014 through 08/15/2014
08/28/14	3797	279.00	256.65	08/16/2014 through 08/31/2014
09/15/14	3842	306.00	281.59	09/01/2014 through 09/15/2014
10/15/14	3900	450.00	410.57	10/01/2014 through 10/15/2014
11/13/14	3960	216.00	199.48	11/01/2014 through 11/15/2014
11/26/14	3981	270.00	249.34	11/16/2014 through 11/30/2014
12/15/14	4024	189.00	174.54	12/01/2014 through 12/15/2014
12/31/14	4046	396.00	362.71	12/16/2014 through 12/31/2014
Total 2014		$ 2,700.00	2,483.45	
01/15/15	4084	288.00	264.96	01/01/2015 through 01/15/2015
02/12/15	4143	279.00	257.65	02/01/2015 through 02/15/2015
02/26/15	4170	396.00	362.71	02/16/2015 through 02/28/2015
03/13/15	4207	306.00	281.59	03/01/2015 through 03/15/2015
03/30/15	4230	198.00	182.85	03/16/2015 through 03/31/2015
04/15/15	4277	270.00	249.34	04/01/2015 through 04/15/2015
04/30/15	4299	441.00	403.27	04/16/2015 through 04/30/2015
06/15/15	4396	288.00	264.96	06/01/2015 through 06/15/2015
06/29/15	4422	378.00	347.08	06/16/2015 through 06/30/2015
07/31/15	4486	612.00	551.19	07/16/2015 through 07/31/2015
08/13/15	4525	360.00	330.46	08/01/2015 through 08/15/2015
08/31/15	4547	522.00	474.07	08/16/2015 through 08/31/2015
09/14/15	4594	549.00	498.00	09/01/2015 through 09/15/2015
09/30/15	4615	585.00	529.25	09/16/2015 through 09/30/2015
10/30/15	4678	603.00	543.87	10/16/2015 through 10/31/2015
11/13/15	4717	450.00	410.57	11/01/2015 through 11/15/2015
11/30/15	4747	378.00	347.08	11/16/2015 through 11/30/2015
Total 2015		$ 6,903.00	6,298.90	

Check Details

Check Date	Check Number		Gross Pay Amount	Check Amount	Pay Period	
01/14/16	4858		387.45	354.81	01/01/2016 through 01/15/2016	
01/28/16	4882		500.85	456.54	01/16/2016 through 01/31/2016	
02/11/16	4920	(2)	689.85	612.08	02/01/2016 through 02/15/2016	
02/29/16	4941	(2)	661.50	590.90	02/16/2016 through 02/29/2016	
03/14/16	4992	(2)	954.45	816.43	03/01/2016 through 03/15/2016	
03/30/16	5013	(2)	661.50	590.90	03/16/2016 through 03/31/2016	
05/31/16	5153	(2)	529.20	480.72	05/16/2016 through 05/31/2016	(1)
06/14/16	5199	(2)	557.55	505.90	06/01/2016 through 06/15/2016	
06/29/16	5227	(2)	576.45	522.35	06/16/2016 through 06/30/2016	(1)
07/14/16	5278	(2)	680.40	605.35	07/01/2016 through 07/15/2016	
07/29/16	5303	(2)	765.45	669.89	07/16/2016 through 07/31/2016	
08/15/16	5348	(2)	368.55	338.36	08/01/2016 through 08/15/2016	
08/30/16	5374	(2)	463.05	422.63	08/16/2016 through 08/31/2016	
09/14/16	5411	(2)	529.20	480.72	09/01/2016 through 09/15/2016	
09/29/16	5423	(2)	236.25	218.17	09/16/2016 through 09/30/2016	
10/13/16	5491	(2)	245.70	226.91	10/01/2016 through 10/15/2016	
10/31/16	5518	(2)	434.70	397.45	10/16/2016 through 10/31/2016	
11/14/16	5561	(2)	718.20	644.23	11/01/2016 through 11/15/2016	
11/29/16	5586	(2)	500.85	461.54	11/16/2016 through 11/30/2016	
12/14/16	5625	(2)	538.65	495.44	12/01/2016 through 12/15/2016	
12/30/16	5662	(2)	567.00	521.62	12/16/2016 through 12/31/2016	
Total 2016		$	11,566.80	10,412.94		
01/30/17	5737	(2)	642.60	588.44	01/16/2017 through 01/31/2017	
02/15/17	5777	(2)	633.15	580.71	02/01/2017 through 02/15/2017	
02/27/17	5802	(2)	652.05	597.16	02/16/2017 through 02/28/2017	
03/15/17	5839	(2)	623.70	572.00	03/01/2017 through 03/15/2017	
03/31/17	5864	(2)	453.60	418.89	03/16/2017 through 03/31/2017	
Total 2017		$	3,005.10	2,757.20		
Total (2014 through 2017)		$	24,174.90	21,952.49		

(1) These two timesheets were signed "R.B." in the former Police Chief Joshua Bruce's scripted handwriting. The remaining timesheets were not signed.

(2) These checks were deposited into the joint bank account of former Police Chief Joshua Bruce and former Lieutenant Randall Bruce during the period December 18, 2015, through April 4, 2017. Other checks may have been deposited into the joint account prior to December 18, 2015; however, bank records were not available for our review.



Nicole Galloway, CPA

Missouri State Auditor

City of Miller

Report No. 2019-035

May 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Miller

Utilities	There are significant weaknesses in the city's utility operations. Despite a water and sewer rate increase in February 2016, water and sewer rates charged are still not sufficient to pay for the costs of services provided, and as a result, the city is using the General Fund to subsidize the Proprietary Fund to avoid a deficit cash balance in the Proprietary Fund. The city has repeatedly violated the Missouri Clean Water Law and city officials have not taken sufficient corrective action to correct the sewer treatment facility issues. City personnel do not prepare reconciliations related to utility services. The former City Clerk and the Board were not proactive in following up on utility accounts receivable.
Payroll Controls and Procedures	Timesheets are not always signed by the employee or his/her supervisor to document approval of time worked and leave used, some overtime hours are not reported on maintenance employees' timesheets, and leave records are not always maintained. Employees estimate hours to be worked for some days on their timesheets because some payroll payments occur prior to the end of the pay period, and documentation is not available to indicate a comparison is performed between actual hours worked to the reported estimated hours. City employees have not always followed established overtime policies, and the Board has not established personnel policies addressing the calculation of overtime and employment and supervision of related employees. There was no documented cost-benefit analysis or discussion by the Board concerning the cost-effectiveness of providing health insurance stipends to employees instead of continuing to provide health insurance coverage.
Accounting Controls and Procedures	The Board has not established adequate segregation of duties or supervisory reviews over some of the financial accounting functions performed by the City Clerk and/or Deputy City Clerk positions. The city's procedures for receipting and recording payments, and making deposits need improvement. The city does not maintain the change fund at a constant amount and uses it for petty cash expenses.
Restricted Funds and Disbursements	The city has not established adequate procedures to ensure restricted revenues are recorded into the appropriate fund or to ensure the funds are used only for intended purposes. The city has not established adequate procedures to ensure disbursements were properly allocated or expended only for intended purposes. The city's procurement procedures do not always comply with the city code, and professional services are obtained without benefit of a competitive selection process. Controls and procedures over credit cards need improvement. The city's procedures to account for fuel use are not adequate. City public works employees removed a tree stump from a citizen's private residence.
Budgets and Published Financial Statements	The city's budgets do not contain all statutorily required elements and were not accurate. The Board budgeted a deficit cash balance in the Proprietary Fund and does not adequately monitor budget-to-actual receipts and disbursements. The former City Clerk did not prepare and publish complete and accurate financial statements as required by state law.

Board Qualifications and Sunshine Law	The city does not have procedures in place to ensure information regarding a person who may be unqualified to run for or hold elected office is timely reported to the appropriate authority, such as the Department of Revenue for unpaid tax issues as provided in Section 115.306, RSMo. Some issues discussed in closed meetings held were not allowable under the Sunshine Law.
Electronic Data Security	The city has not established adequate password controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers after a certain period of inactivity. The city has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. The city does not periodically test backup data to ensure essential data can be restored.
Capital Assets	The city's capital asset records did not include land, buildings, some vehicles, and other personal property and are not updated timely when purchases and dispositions occur. City personnel do not always tag assets or perform annual physical inventories.

In the areas audited, the overall performance of this entity was **Poor**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Miller
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Miller, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Miller. We have audited certain operations of the city in fulfillment of our duties. The city engaged Decker & DeGood, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2017. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

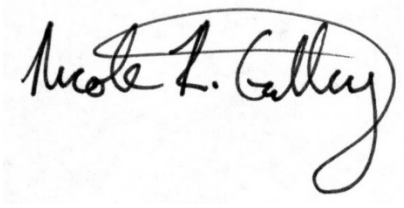
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvements in managements practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Miller.

We did additional work related to various police department transactions and procedures due to criminal charges filed against the former Police Chief and former Lieutenant. Findings and recommendations related to this additional work are addressed in a separate report, No. 2019-036, *City of Miller Police Department Disbursements and Seized Property*.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	Troy Royer
Audit Staff:	Terese Summers, MSAS, CPA
	Ethan D. Evans

City of Miller
Management Advisory Report
State Auditor's Findings

1. Utilities

There are significant weaknesses in the city's utility operations. The city provides water, sewer, and trash services, and accounts for the financial activity of these services in separate categories in the city's accounting system. These categories are combined into one fund called the Proprietary Fund in the city's audited financial statements. The city collected approximately $285,000 for water and sewer services and $47,000 for trash services during the year ended June 30, 2017.

1.1 Financial condition

Despite a water and sewer rate increase in February 2016, water and sewer rates charged are still not sufficient to pay for the costs of services provided. As a result, the city is using the General Fund to subsidize the Proprietary Fund to avoid a deficit cash balance in the Proprietary Fund. The Proprietary Fund cash balance is not sufficient to refund customer utility deposits that are also maintained in the Proprietary Fund. The following table reflects the cash balances and current liabilities of the Proprietary Fund for the past 5 years per the city's audited financial statement reports.

	Year Ended June 30,				
	2017	2016	2015	2014	2013
Unrestricted Cash Balance	$ 0	0	0	0	0
Restricted Cash Balance[1]	96,761	85,986	51,330	62,875	53,025
Total Cash Balance	$ 96,761	85,986	51,330	62,875	53,025
Current Liabilities					
Customer deposits	$ 32,206	32,200	30,281	29,639	29,330
Due to General Fund[2]	82,338	96,246	43,052[3]	35,740	26,307
Sales tax and primacy fees payable	1,792	1,911	2,116	2,323	1,997
Current portion of long-term debt	26,000	26,000	24,000	24,000	23,000
Total Current Liabilities	$ 142,336	156,357	99,449	91,702	80,634

[1] Restricted cash balances can only be used to service outstanding debt.
[2] Amounts due to General Fund are written off each year and are not accumulated from one year to the next.
[3] During the year ended June 30, 2015, the audit report reflected this amount as a transfer in from the General Fund; however, for consistency it is being reported as due to General Fund similar to how it was reported in other years.

The Due to General Fund amounts noted in the table represent the negative cash balance of the Proprietary Fund at the end of each fiscal year. This amount was subsidized by the General Fund. Based on the city's rate structure, the city does not generate sufficient revenues to cover the costs of operating and maintaining the water and sewer system and the debt service requirements resulting in the negative cash balances at the end of each fiscal year requiring subsidies by the General Fund.

Despite a sewer rate study obtained in July 2017 recommending a significant rate increase, the Board did not approve an increase in the current rate structure. The Board subsequently approved a water and sewer rate increase to take effect in September 2018. However, the Board did not set the sewer

rates at the amounts recommended in the study, and did not obtain a water rate study.

Water and sewer fees are user charges that should cover the cost of providing the service. Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure utility rates are set to cover the cost of providing the related services, the city should perform and document a periodic detailed cost study of each of its utility costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits.

1.2 Compliance with Missouri Clean Water Law

The city has repeatedly violated the Missouri Clean Water Law and city officials have not taken sufficient corrective action to correct the sewer treatment facility issues. The Public Works Superintendent reported to the Board the city's E. coli discharge was twice the limit allowed by the Department of Natural Resources (DNR) permit every month from July 2016 through July 2017. The city's ammonia discharge also exceeded the limit allowed by the DNR permit in 7 of those months. However, the Board has not brought the sewer system into compliance.

On September 20, 2017, the DNR issued a violation notice to the city citing "significant non-compliance for the exceedances related to the E. coli limits" for the 12 month period of July 7, 2016, through July 7, 2017. This letter also requested city officials contact the DNR if they had any questions about the report and to schedule a meeting to discuss the city's plans for correcting the non-compliance. However, they did not contact the DNR, and on November 17, 2017, the DNR issued a failure to report notice that requested the city file the missing status/progress report, detail the city's progress made in attaining compliance, and provide a written response explaining the reasons for the violations and the steps the city has taken or will take to prevent further violations. On December 21, 2017, the DNR issued another violation notice to the city for "non-compliance" for the exceedances related to E. coli limits for the period of July 2017 through September 2017. This notice also indicated the DNR had not received the missing status/progress report requested in the November 17, 2017, letter, and indicated it was due on or before September 1, 2017.

The July 2018 Board meeting minutes indicated the Public Works Superintendent reported continued violations of sewer discharge permit limits, but the city was actively meeting and working with DNR to correct the non-compliance. The Board hired an engineering firm in September 2018 to recommend improvements to the sewer treatment facility.

In September 2013, the DNR issued the city an operating permit in accordance with the Missouri Clean Water Law, Chapter 644, RSMo, and the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et. seq.,

detailing the compliance requirements of the city's effluent limitations and monitoring practices.

1.3 Utility reconciliations

City personnel do not prepare reconciliations related to utility services.

- The Board did not investigate significant differences identified in the monthly reconciliation of gallons of water billed to customers to gallons of water pumped. In addition, water usage is not tracked for city buildings. Without this water usage information the city cannot properly perform the reconciliation. The April 2018 water usage report submitted to the Board indicated the city could not account for 24 percent of water pumped. This significant difference is indicative of water loss issues and/or possible unbilled usage, and indicates a need for follow up.

  Tracking city usage and timely investigation of unexpected or significant differences between water billed and water pumped is necessary to help detect significant water loss timely and ensure water usage is properly billed. According to the United States Environmental Protection Agency, most states have regulatory policies that set acceptable losses from public water systems at a maximum of between 10 to 15 percent or less.[1] The standard for Missouri established by the DNR is 10 percent.

- The City Clerk does not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services.

  Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected timely.

1.4 Delinquent utility accounts

The former City Clerk and the Board were not proactive in following up on utility accounts receivable. As of September 19, 2018, the city had 17 utility accounts receivable balances delinquent for over 90 days totaling $26,547.

Two of these accounts had balances of $12,304 and $11,130 and date back to June and November 2016, respectively. Also, the former City Clerk allowed these 2 customers to make partial payments on their accounts for 3 to 4 years without Board approval, and the city does not have a written policy authorizing partial payments. A former Board member indicated the Board did not approve the former City Clerk accepting partial payments on any accounts. In addition, the former City Clerk failed to follow the city code for disconnection for these 2 accounts. These 2 accounts had current monthly

[1]United States Environmental Protection Agency, "Control and Mitigation of Drinking Water Losses in Distribution Systems," Appendix A, Table A-2, Selected State Standards for Unaccounted-for Water, https://www.awwa.org/Portals/0/AWWA/Government/WaterLossControl508.pdf, accessed April 10, 2019.

charges averaging less than $80, penalties were accrued at 10 percent on the total unpaid balance, and these delinquent account balances continued to increase over several years.

The current City Clerk turned 13 of these 17 accounts over to a collection agency in August 2018, including a portion of one of the accounts with a significant balance. The current City Clerk only turned over $2,005 of the $12,304 accounts receivable balance to the collection agency. This amount represented unpaid charges while the remaining $10,299 represented penalties incurred on the account. However, the Board had not approved the penalties to be written off, and it is unclear why the current City Clerk did not turn over the full balance of the account to the collection agency. The Board is taking legal action on the full balance of the other significant accounts receivable balance.

City code Section 700.110 states failure to pay a bill by the 20th of the month following the month during which water and sewer services were provided shall result in disconnection of the service. Good business practices require adequate collection procedures be established to ensure accounts are collected timely and bad debts are kept to a minimum.

Recommendations

The Board of Aldermen:

1.1 Document formal reviews of utility rates periodically to support any rate increase and set the rates to ensure revenues are sufficient to cover all costs of providing these services, including debt service requirements and reserves for future capital improvements.

1.2 Bring the sewer treatment facility into compliance with the Missouri Clean Water Law.

1.3 Investigate significant differences between gallons of water pumped to gallons billed. The Board should also ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed.

1.4 Ensure sufficient procedures are developed to collect accounts receivable, all past due accounts are submitted to the collection agency, and service is disconnected in accordance with city code.

Auditee's Response

1.1 Prior to any future rate increase, the city will conduct a formal review of the utility rates to ensure revenues are sufficient to cover all costs of providing these services, including debt service requirements and reserves for future capital improvements.

1.2 A bond issue for water/wastewater upgrades was passed in April 2019 that will allow the city to bring the sewer treatment facility into compliance with the Missouri Clean Water Law.

1.3 We are aware of the significant amount of water loss each month and hope to fix known leaks and improve our water system while upgrading the sewer with the new bond monies and future grant monies. The City Clerk provides the Board a monthly reconciliation of the amounts billed, total amounts collected, and delinquent accounts.

1.4 The city now enters into written payment agreements with customers with delinquent accounts and the City Clerk follows up to ensure payments are routinely made. With a few exceptions, delinquent accounts will be submitted to a collection agency. In reference to the 2 accounts with substantial accrued amounts, the Board subsequently discussed and approved only going after the amount that represented water usage, not the penalties for one of the accounts. The reason we are going for the full amount for the other account is because we have sought legal action and is due to a lack of cooperation by the former customer. The Board was willing to collect on usage only, but after repeated attempts from our attorney and no response, we are going after the full amount. The city passed an ordinance to change the shut-off date from the 20th of the month to the first of the following month, and a deposit amount of $200 to turn on utilities. If payment is not made on the first of the following month, or the customer hasn't made prior arrangements with the City Clerk, a work order is made and the water is disconnected, and a lock is placed on the meter. There is a late fee assessed if the bill is not paid by the 15th, and if service is disconnected, there is a $25 reconnection fee.

2. Payroll Controls and Procedures

Controls and procedures over payroll and related matters need improvement. The city paid approximately $218,000 in wages during the year ended June 30, 2017.

2.1 Timesheets and leave records

Timesheets are not always signed by the employee or his/her supervisor to document approval of time worked and leave used, and some overtime hours are not reported on the timesheets for maintenance employees. In addition, leave records are not always maintained to track the number of hours of vacation and sick leave earned, used, and any remaining balances.

The current City Clerk indicated a maintenance employee is typically paid 2 hours of overtime each nonworking day (Saturdays, Sundays, and holidays) to check the water and sewer system; however, this time is not reflected on the employee's timesheet. For example, a maintenance employee's timesheet for the pay period December 16 through December 31, 2016, reported 80

work hours and 8 holiday hours; however, the employee was paid for 88 regular work hours and 13.5 hours of overtime. None of the overtime hours were recorded on the employee's timesheet, and the 6 nonworking days totaled 12 hours of overtime instead of the 13.5 hours paid.

Without accurate timesheets or a record of leave taken, city officials cannot ensure hours worked and leave earned and taken by employees are properly documented. To ensure the accuracy of the hours worked and leave taken, timesheets should be signed by the employees and reviewed and approved by the supervisor. Leave records also aid in determining final compensation for employees leaving city employment. In addition, the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

2.2 Salary payments

Employees estimate hours to be worked for some days on their timesheets because some payroll payments occur prior to the end of the pay period, and documentation is not available to indicate a comparison is performed between actual hours worked to the reported estimated hours. For example, payroll payments occurred on December 14, 2016, for the pay period December 1 through December 15, 2016. As a result, full-time employees are sometimes paid in advance for their services.

Paying city employees for estimated hours worked may lead to errors and the potential for employees to be over/under paid. Article III, Section 38(a) of the Missouri Constitution, prohibits the granting of public monies or property to any private person, association, or corporation.

2.3 Personnel policies

City employees have not always followed established overtime policies, and the Board has not established personnel policies addressing the calculation of overtime and employment and supervision of related employees.

Overtime

Some city employees were paid for overtime in violation of city policy. The employee handbook states employees do not receive overtime, but can use the hours as paid time off. However, during the year ended June 30, 2017, the city paid 7 employees a total of $11,632 in overtime.

In addition, nonworking time, (vacation and sick leave, compensatory time, and holidays), is included in total hours worked when determining the amount of overtime earned by employees, which is not required by the FLSA. For example, during the 2 week pay period ending December 31, 2017, the former City Clerk was paid for 82.5 regular hours and 4.75 hours of overtime per the payroll stub or a total of 87.25 hours, when her timesheet indicated she worked 62.25 regular hours, received 12 hours of holiday pay, took 8 hours of vacation time, and used 2.5 hours of compensatory time, for a total of 84.75 hours that should have been paid at her regular rate of pay. Thus, the hours on the payroll stub did not agree to the hours on the timesheet. In addition,

the city's personnel policy does not address the hours to include when determining the number of overtime hours.

Related employees

The city's personnel policy does not address employment of related individuals. The former Police Chief directly supervised his brother, a former Lieutenant. The supervision of related employees can compromise a supervisor's objectivity when assigning duties, tracking leave, approving payroll, or evaluating employee performance. Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated.

2.4 Health insurance stipends

There was no documented cost-benefit analysis or discussion by the Board concerning the cost-effectiveness of providing health insurance stipends to employees instead of continuing to provide health insurance coverage. In addition, as a result of not providing health insurance coverage, the Board has increased the costs to the city and employees.

Meeting minutes of a special closed session held on January 25, 2018, indicated "Special meeting held to discuss employee health insurance and whether or not to continue to pay directly or provide once a month bonus for funds to let employees purchase their own. After group debate, group decided to get yearly insurance rates to pay off of age group list and continue with the $200 allowance for either child/spouse." A Board member "made motion to pay rates based off of silver plan with $2,500 deductible and still include the $200 dependent reimbursement until employee reaches Medicare age then would reimburse for Medicare/supplement cost to employee. Also, employee would only be able to choose either or (meaning would either have City of Miller pay for insurance directly or be reimbursed based off of silver plan rate but not able to have both)." No documentation or Board discussion of the related costs of providing health insurance stipends instead of health insurance coverage was maintained.

Based on the total amount of stipends paid per month, the city and the employees will incur approximately $368 a month or $4,416 annually more in Federal Insurance Contributions Act (FICA) taxes. The FICA taxes by month impacting each employee are noted in the following table. The amount of the stipend provided to each employee also varies significantly because of age, tobacco use, and dependents.

Employee Identifier	Employee Monthly Stipend Amount	Dependent Monthly Stipend Amount	Total Monthly Stipend Amount	Monthly FICA Taxes per Employee
1	$ 1,013	200	1,213	93
2	576	200	776	59
3	400	0[1]	400	30
4	400	200	600	46
5	1,057	200	1,257	96
6	370	200	570	44
Total	$ 3,816	1,000	4,816	368

[1] This employee does not have any dependents.

An evaluation of the costs and benefit of either providing health insurance or health insurance stipends would provide a means to determine the most cost-effective method of providing these services. Without such a study, the costs of providing health insurance stipends may be higher than necessary.

Recommendations

The Board of Aldermen:

2.1 Ensure timesheets are accurate, properly signed and approved, and employee leave balances are properly tracked and monitored.

2.2 Discontinue compensating full-time employees in advance of receiving services.

2.3 Ensure compliance with personnel policies, and review and update the personnel policies, as necessary.

2.4 Prepare a cost-benefit analysis of providing health insurance versus health insurance stipends. The Board should ensure a cost-benefit analysis is prepared when making significant management decisions in the future.

Auditee's Response

2.1 We now have a time clock that stamps employee's time cards. Each week the City Clerk goes through and calculates the employee's time and ensures the timesheets are initialed by both the employee and the supervisor, then the Mayor reviews the time card and the paycheck for accuracy. We now have an "employee time-off request form" that is to be filled out by each employee when taking time-off. The employee must indicate if the time-off is sick, vacation, bereavement, or compensatory time. We have discontinued including nonworking time when determining compensatory time. We plan to update our personnel policy to address this. Compensatory time is calculated and there is a running total on each time card.

2.2 After this was brought to our attention, the Board passed an ordinance that changed the way pay periods/paychecks were done. Now, we pay a week behind and a pay period is defined as 12:00 a.m. on Sunday through 11:59 p.m. on Saturday.

2.3 A new employee handbook was approved in December 2018. No employees are paid overtime; however, they do accrue compensatory time. In the new handbook, a section regarding nepotism and related employees was added, so now we do have a policy that provides that no employees will be supervised by a relative.

2.4 In the future, the city will prepare a cost-benefit analysis of providing health insurance versus paying health insurance stipends.

3. Accounting Controls and Procedures

3.1 Segregation of duties

Accounting controls and procedures need improvement. During the year ended June 30, 2017, receipts totaled approximately $613,000. The city receives monies for utility payments, property taxes, merchant licenses, building permits, and other miscellaneous items.

The Board has not established adequate segregation of duties or supervisory reviews over some of the financial accounting functions performed by the City Clerk and/or Deputy City Clerk positions. The City Clerk and Deputy City Clerk are solely responsible for the financial accounting functions of the city, including receiving, recording, and depositing monies; preparing invoices for payment; maintaining payroll records; preparing and distributing payroll and accounts payable checks; preparing and distributing monthly utility billings; generating utility reports; preparing monthly bank reconciliations; making transfers between bank accounts; preparing financial reports for Board meetings; and preparing budgets and financial statements. The Mayor and the City Clerk are responsible for signing checks. While the City Clerk prepares various month-end reports along with an attached signature page that the Board members sign to document their review and approval of the reports, the Board does not document reviews made of timesheets and leave records or perform a review of receipt and deposit records.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.

3.2 Receipting, recording, and depositing

The city's procedures for receipting and recording payments, and making deposits need improvement.

- The City Clerk does not account for the numerical sequence of electronic utility receipt numbers.

- Utility payments received are not recorded in the computerized utility system at the time of receipt. These payments are recorded when the deposit is prepared, which is typically once a week. As a result, it is difficult to determine if penalties for late payments are assessed in compliance with city codes. City code 700.100 states utility bills remaining unpaid after the 20th day of the month shall have a 10 percent delinquent charge added.

- Checks received are not restrictively endorsed immediately upon receipt. A cash count performed on March 1, 2018, identified 13 checks totaling $1,081 that had not been restrictively endorsed. The former City Clerk indicated checks are endorsed when the deposit is prepared.

- The former City Clerk did not deposit receipts timely or intact. Deposits are typically made once a week. In addition, a cash count performed on March 1, 2018, revealed an unidentified $86 cash receipt. The former City Clerk indicated the city received this payment on February 22, 2018, and she believed it was for a utility bill. The former City Clerk subsequently determined who made the payment and recorded the $86 in the utility system and deposited the cash on April 4, 2018.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of monies will occur and go undetected. To reduce this risk, procedures should be established to ensure all monies are properly receipted, recorded, and deposited. Also, checks should be restrictively endorsed immediately upon receipt.

3.3 Change fund

The city does not maintain the change fund at a constant amount and uses it for petty cash expenses. In addition, periodic reconciliations to the authorized balance are not performed, and a petty cash ledger is not maintained to support petty cash transactions. At the time of our cash count, the change fund balance was $89 and there was one $7 invoice on hand for a car wash to support petty cash expenses from the fund. In addition, the former City Clerk replenished the change fund with cash receipts, causing receipts to not be deposited intact as indicated in section 3.2.

To safeguard against possible loss, theft, or misuse of funds, change funds should be maintained at a constant amount and the funds should be periodically counted and reconciled to the authorized balance. If needed, a separate petty cash fund should be established and maintained on an imprest basis. A petty cash ledger should also be maintained documenting receipts,

disbursements, and the balance of the petty cash fund. Petty cash funds should only be reimbursed through a city disbursement approved by the Board and not from daily receipts.

Recommendations

The Board of Aldermen:

3.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

3.2 Ensure the numerical sequence of electronic receipt numbers is accounted for properly, timely record all payments received in the computerized utility system, restrictively endorse all checks upon receipt, and make deposits timely and intact.

3.3 Maintain the change fund at a constant amount, and reconcile the change fund to the authorized balance with each deposit. If needed, a petty cash fund should be established and maintained on an imprest basis. A petty cash ledger should also be maintained.

Auditee's Response

3.1 Currently, the Mayor reviews each invoice with the check for payment to ensure accuracy, and the Board is notified that checks are ready to be reviewed. The city will designate a Board member to periodically compare receipts to deposits and review bank reconciliations and document the review.

3.2 The City Clerk will account for the numerical sequence of receipt numbers at the time of the deposit, and ensure that monies received are entered into the computerized accounting system and utility system in a timely manner. We have made it a practice for the City Clerk to record receipts as she receives them into the accounting system. When a check is received, we immediately stamp the check with the "For Deposit Only" stamp. Due to the location of the nearest bank, we do not do a daily deposit. The City Clerk plans to typically make deposits twice per week and will make deposits intact.

3.3 A change fund has been established at $100 and is maintained at a constant amount. We have implemented a petty cash fund of $250, and a spreadsheet log to keep for accountability purposes. When money is taken from petty cash, the reason is recorded, and a receipt is attached to the log. We will begin to make sure our petty cash amount is brought back to the agreed amount by writing a check for cash and putting that cash into the petty cash bag on a weekly basis.

4. Restricted Funds and Disbursements

The city has not established adequate procedures to ensure restricted revenues are recorded into the appropriate fund or to ensure the funds are used only for

intended purposes. In addition, controls and procedures over disbursements need improvement.

4.1 Restricted revenues

The city has not established adequate procedures to properly track and record various statutorily restricted revenues.

- During the year ended June 30, 2017, the City Clerk recorded $30,841 of receipts from a 1/2-cent street sales tax in the police department category within the General Fund. This money was used to pay expenses of the police department. The ballot language when the public voted on approving this sales tax restricted its use to transportation purposes. In addition, Sections 94.700 to 94.755, RSMo, and city code Section 130.130 restrict use of this funding to transportation purposes. City officials had no documentation to justify the full allocation of these funds to the police department.

- During the year ended June 30, 2017, city employees recorded some payments for trash services in the trash category ($21,442) and some in the water category ($25,216), while paying all related disbursements ($43,094) from the water category. Section 250.150, RSMo, restricts the use of water and sewer funding for operating the systems, payments of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems.

- City personnel do not track the receipts, disbursements, and the balance of Law Enforcement Training (LET) fees and Police Officer Standards Training (POST) fees. These fees are deposited into the General Fund and are comingled with general purpose receipts rather than being accounted for separately. Section 488.5336.2, RSMo, requires use of LET and POST fees only for the training of law enforcement officers. A separate accounting, with a current balance, would help ensure these restricted revenues are accounted for and expended properly.

4.2 Allocation

The city has not established adequate procedures to ensure disbursements were properly allocated or expended only for intended purposes.

Several employees perform tasks related to multiple city functions, but the city has no documentation to justify the allocation of salaries to the various categories in the General and Proprietary Funds. For example, city officials allocated $18,180 of the Deputy City Clerk's wages to the General Fund, and $29,534 of the City Clerk's wages, $79,272 of wages for the 3 maintenance employees, and $1,379 of the cost of uniforms for maintenance employees to the water category in the Proprietary Fund, when some of these costs could have been allocated to other categories in the General and Proprietary Funds. Only $1,931 of the wages for maintenance employees were allocated to the street category in the General Fund.

Some other disbursements and/or allocations were also not adequately supported and looked unreasonable. For example, the $5,066 cost of the city's financial statement audit and accounting services was allocated $140 to the fire category, $4,237 to the general category, and $655 to the police department category in the General Fund, and $34 to the water category in the Proprietary Fund; however, the majority of these costs pertained to the city's annual financial statement audit, which is required by the water and sewer system bond covenants. In addition, the $49,824 cost of utilities was allocated $7,765 to the fire category and $15,681 to the general category in the General Fund, and $26,378 to the water category in the Proprietary Fund, when utilities are used for other city services such as street, sewer, and police.

To ensure restricted funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs for employees. The proper allocation of expenses is necessary to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs.

4.3 Procurement procedures

The city's procurement procedures do not always comply with the city code, and professional services are obtained without benefit of a competitive selection process.

During the year ended June 30, 2017, the city did not solicit bids for property and liability insurance ($11,164), health insurance ($46,765), drilling services ($5,644), and bulk fuel ($4,193). City code Section 135.090 requires the city to solicit competitive bids for purchases of supplies and contractual services over $1,000.

City code does not address the handling of professional services from other services. Professional services retained during the year ended June 30, 2017, without the benefit of competitive selection included attorney services ($12,389), and audit and accounting services ($5,066). In addition, the city did not competitively solicit banking services.

In addition to being required by city code, the routine use of a competitive procurement process for major purchases ensures the city has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids received and justification for awarding the bid. Also, periodically soliciting proposals for professional services helps ensure all parties are given an equal opportunity to participate in city business, helps provide a range of possible choices, and allows the Board to make better informed decisions to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and/or cost into consideration.

4.4 Credit cards

Controls and procedures over credit cards need improvement. The city purchased items and services totaling approximately $10,000 through use of 2 credit cards during the year ended June 30, 2017; however, 59 purchases totaling $3,798 did not have supporting documentation. In addition, an independent review of purchases made on these cards is not performed.

Detailed supporting documentation, such as itemized receipts and vendor invoices, should be maintained for all credit card transactions and reconciled to the credit card statements by someone other than the cardholder. Without adequate supporting documentation and proper approval, city officials cannot ensure purchases are for appropriate goods or services.

4.5 Fuel usage

The city's procedures to account for fuel use are not adequate. The city maintains two 300 gallon bulk fuel tanks (unleaded and diesel) at the public works building. The city purchased bulk fuel totaling $4,193 during the year ended June 30, 2017, and $5,891 during the year ended June 30, 2016. City employees use 2 credit cards for out-of-town fuel purchases. Fuel purchased using these cards totaled $772 during the year ended June 30, 2017, and $2,204 during the year ended June 30, 2016. Use of the cards for fuel purchases was discontinued after the termination of the former Police Chief in May 2017.

Mileage and fuel logs are not maintained for city vehicles and equipment. While logs of fuel pumped from the bulk tanks are maintained by maintenance employees, logs of fuel pumped and used by the police department are not maintained. As a result, fuel use is not reconciled to fuel purchases.

Mileage and fuel logs are necessary to document the appropriate use of vehicles and equipment and to support fuel purchases. Without sufficient information, city officials cannot evaluate the propriety and reasonableness of fuel pumped/used or reconcile amounts used to fuel billings. Failure to account for fuel purchases and fuel usage could result in loss, theft, or misuse going undetected.

4.6 Private work

On March 20, 2018, 2 city public works employees removed a tree stump from a citizen's private residence. The removal of the tree stump required the use of 2 city backhoes, a city dump truck, and the time spent by the employees. The city did not retain any documentation of the cost of the equipment's use and time spent and did not seek reimbursement for the related costs.

Article VI, Section 23, Missouri Constitution, specifically prohibits counties, cities, or other political subdivisions of the state from granting public money or things of value to or in aid of any corporation, association, or individual.

Recommendations

The Board of Aldermen:

4.1 Ensure restricted monies are accounted for in the appropriate fund or category and establish separate funds or a separate accounting of LET and POST fees.

4.2 Ensure costs are allocated to the appropriate funds, and supported by adequate documentation, which is retained.

4.3 Perform a competitive procurement process for all major purchases in accordance with the city code and maintain documentation of decisions made. The Board should also solicit proposals for professional services and consider establishing a policy to address the procurement of professional services.

4.4 Require documentation be maintained and reconciled to credit card billing statements, and purchases be approved by someone other than the cardholder.

4.5 Require mileage and fuel logs be maintained and ensure fuel logs are reconciled to fuel purchases. Any significant discrepancies should be investigated.

4.6 Ensure work is performed only on public property and seek reimbursement of the costs incurred for the removal of the tree stump at a citizen's private residence.

Auditee's Response

4.1 Moving forward, we will deposit street sales tax in the street category, trash revenues in the trash category, and create separate categories to track the LET and POST fees.

4.2 The city will discuss and implement procedures to track employee time by city function and use that documentation to support future allocations. The City Clerk now appropriately allocates disbursements to the appropriate department and line item. One of the procedures the City Clerk now does is that she inputs the invoice number, or the "reason" under the memo section of each check written.

4.3 We currently seek bids for various services. We will seek bids for each and every service, including professional services, as the city code states, in the future. We will be sure to discuss bids, and awarding of bid in the appropriate Board meeting so there is a record kept in the minutes book. Also, when it comes to banking, the nearest bank to the city of Miller is in Mt. Vernon.

4.4 When the credit card statement comes in each month, the City Clerk goes through the bill and compares receipts to charges. Each purchase is assigned to a department, and charged to that department under the appropriate line item. Depending on the cost of the item, the Mayor or the Board must approve prior to charging. The Board also approves the credit card statements and invoices at monthly meetings.

4.5 Due to the inability to accurately account for the amount of bulk fuel used, the Board approved to only buy red (off-road) diesel from a local bulk fuel vendor. A log of fuel pumped is used for the off-road diesel and the City Clerk reconciles the fuel used to fuel purchased. When other city vehicles are used, a local gas station credit card is used by employees to buy fuel. The user must input the current mileage, and the mileage is printed on the fuel receipt. The City Clerk reconciles the fuel receipts to the fuel statement.

4.6 The city will ensure all work performed is only on public property. We do not plan to seek reimbursement of costs incurred for the removal of the tree stump at a citizen's private residence.

5. Budgets and Published Financial Statements

The city does not prepare complete and accurate annual budgets or publish accurate semiannual financial statements.

5.1 Budgets

The Board does not have adequate procedures to prepare or monitor budgets.

Preparation

The city's budgets do not contain all statutorily required elements and were not accurate. The 2018 budget did not include actual beginning available resources and estimated and actual ending available resources, which are needed to present a complete financial plan for city finances. In addition, budgeted and actual receipts and disbursements included on the budget summary page did not agree to the individual fund's budgets.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. A complete and well-planned budget, in addition to meeting statutory requirements, serves as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in providing information to the public about city operations and current finances.

Budget deficit

The Board budgeted a deficit cash balance of $211,210 in the Proprietary Fund in the 2017 budget. Missouri Constitution, Article VI, Section 26(a), and Section 67.010.2, RSMo, prohibit deficit budgeting.

Monitoring

The Board does not adequately monitor budget-to-actual receipts and disbursements. The Board does not receive financial statements that show a comparison of budget-to-actual amounts. In addition, the Board voted on June 8, 2017, to amend the budget to actual receipts and disbursements for the year ending June 30, 2017, even though those actual numbers were not known at that time, and an amended budget document was not prepared to support the amendment.

Failure to monitor and adhere to limits imposed by budgets weakens the Board's effectiveness in controlling the city's financial condition. In addition, the practice of amending the budgets to actual numbers at year-end disregards the purpose of the budget as a planning and monitoring tool. The Board should ensure monthly budget-to-actual comparisons are received and reviewed prior to approving disbursements.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted, but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget. Proper budget monitoring and amending of them when applicable is necessary for budgets to be an effective management tool and comply with state law.

5.2 Published financial statements

The former City Clerk did not prepare and publish complete and accurate financial statements as required by state law. The former City Clerk did not include receipts totaling approximately $15,000 and disbursements totaling approximately $3,700 shown in the accounting system for the 2 semiannual settlements published for the year ended June 30, 2017.

Section 79.160, RSMo, requires the Board prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. To ensure compliance with this statute, the Board should require timely preparation of financial statements and review the statements for accuracy prior to publication.

Recommendations

The Board of Aldermen:

5.1 Prepare accurate annual budgets that contain all information required by state law, discontinue deficit budgeting, ensure the budgets are adequately monitored and are properly amended.

5.2 Ensure accurate preparation and publication of the city's semiannual financial statements as required by state law.

Auditee's Response

5.1 We will prepare accurate annual budgets that contain all information required by state law, discontinue deficit budgeting, and ensure the budgets are adequately monitored and properly amended. Since the new Mayor was appointed, the City Clerk provides the Board: a year-to-date financial statement of income versus expenditures; a monthly financial statement of income versus expenditures; and a "budgeted versus actual" statement. In the future if spending should exceed the budget, the topic will go before the Board to approve a resolution for the increased amount.

5.2 Going forward, the Board will review and approve the city's semiannual financial statements prior to being submitted for publication.

6. Board Qualifications and Sunshine Law

Procedures over Board qualifications and closed meetings need improvement.

6.1 Board qualifications

The city does not have procedures in place to ensure information regarding a person who may be unqualified to run for or hold elected office is timely reported to the appropriate authority, such as the Department of Revenue (DOR) for unpaid tax issues as provided in Section 115.306, RSMo.

Alderman Johnson owed delinquent city and county real estate and personal property taxes at the time of election in April 2017 and when he signed DOR Form 5120 Candidate's Affidavit of Tax Payments and Bonding Requirements. Alderman Johnson signed Form 5120 on January 17, 2017, stating he did not owe any delinquent taxes. However, he did not pay his delinquent real estate property taxes for 2014 through 2016 until July 20, 2017. He also did not pay his 2016 personal property taxes until March 30, 2017, after the form had been signed and filed.

Alderman Campbell and Alderwoman Johnson both also owed delinquent city and county personal property taxes at the time of signing Form 5120 in 2018. Alderman Campbell signed Form 5120 on December 26, 2017, stating he did not owe any delinquent taxes. However, he did not pay his delinquent 2017 personal property taxes until March 15, 2018. Alderwoman Johnson signed Form 5120 on January 14, 2018, stating she did not owe any delinquent taxes. However, she paid her delinquent 2017 personal property taxes on March 21, 2018.

Section 79.250, RSMo, states "No person shall be elected or appointed to any office who shall at the time be in arrears for any unpaid city taxes, or forfeiture or defalcation in office. All officers, except appointed officers, shall be residents of the city." Section 115.306, RSMo, requires that no person may be a qualified candidate if they owe any state income taxes, personal property

taxes, municipal taxes, or real property taxes on the place of residence, and requires that the candidate file an affidavit declaring they do not currently owe any delinquent taxes with their declaration of candidacy. It also provides that the DOR shall investigate potential candidates upon receipt of complaints alleging such delinquencies.

Procedures to transmit information regarding persons potentially unqualified to run for or hold office to the appropriate authority are necessary to ensure the city and its officers comply with applicable laws.

6.2 Closed meetings

Some issues discussed in closed meetings held from July 1, 2016, through April 30, 2018, were not allowable under the Sunshine Law. For example, the Board discussed the hourly wages and fringe benefits offered to employees and employee raises during 11 of 18 closed meetings held. The majority of these meetings were closed to discuss personnel records/issues under Section 610.021(3), RSMo; however, hourly wages, fringe benefits provided, and raises are not personnel records/issues and should not have been discussed in closed session. Section 610.022, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law as announced publically as the justification for closing the meeting.

Recommendations

The Board of Aldermen:

6.1 Seek legal advice and resolve concerns regarding the current Board's qualifications to serve. The Board should establish procedures for handling future situations when the city receives information regarding a person potentially unqualified to run for or hold office, including transmitting this information to the appropriate authority.

6.2 Ensure only topics allowed by state law are discussed in closed Board meetings.

Auditee's Response

6.1 We will obtain a legal opinion to resolve concerns regarding the current Board's qualifications to serve. We will have our attorney advise us in adopting policies and procedures for the City Clerk to follow, to ensure those seeking to serve are qualified and able to legally do so.

6.2 The City Clerk no longer takes closed meeting minutes. We now have our attorney take minutes. During closed Board meetings, we will be sure to only discuss the topics allowed by state law.

7. Electronic Data Security

Controls over some city computers are not sufficient to prevent unauthorized access, and sufficient plans and processes are not in place for recovering systems and data. As a result, city records are not adequately protected and

are susceptible to unauthorized access, and the city faces an increased risk of not being able to resume normal business operations timely.

7.1 Passwords

The city has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The City Clerk and the Deputy City Clerk share the same password to access both the accounting and utility systems, the password is not changed periodically for either system, and passwords for the utility system are not required to contain a minimum number of characters.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since employees share a password that is not periodically changed, and utility system passwords do not require a minimum number of characters, there is less assurance access to computers and data files is limited to only those individuals who need access to perform their job responsibilities. Passwords should be unique, confidential, contain a minimum number of characters, and be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

7.2 Security controls

Security controls are not in place to lock computers after a certain period of inactivity. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

7.3 Contingency plan and backup data

The city has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. In addition, the city does not periodically test backup data to ensure essential data can be restored.

A formal, written contingency plan should be prepared, and periodically tested and updated as needed to address actions for restoring computer systems should a disaster or other extraordinary situation occur. In addition, periodically testing the backup data helps ensure current data is available to be restored and is complete and reliable.

Recommendations

The Board of Aldermen:

7.1 Require confidential passwords for each employee that are periodically changed to prevent unauthorized access to the city's computers and data. Passwords should contain a minimum number of characters.

7.2 Require each computer to have a security control in place to lock it after a certain period of inactivity.

7.3 Develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require city personnel test restoration of backup data on a periodic basis.

Auditee's Response

7.1 Each computer now has a confidential password for each employee. The City Clerk is still working with the utility system vendor to obtain access for multiple users, each with their own confidential password in order to access the system. The Board will determine a time frame the password must be changed (every 90 days). We will ensure passwords contain a minimum number of characters.

7.2 We will implement a policy to have all computers lock after a certain period of inactivity. The Mayor and City Clerk have now made changes to their computers so that they lock after a period of inactivity.

7.3 We will research and develop a formal, written contingency plan that is periodically tested, evaluated and updated as needed. We currently do save all information on a server, but will inquire where the data is kept, and how to access in the case of a catastrophe. Not less than once per year, we will test and restore the system.

8. Capital Assets

The city's capital asset records did not include land, buildings, some vehicles, and other personal property and are not updated timely when purchases and dispositions occur. In addition, city personnel do not always tag assets for specific identification or perform annual physical inventories.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board should also ensure assets are properly tagged for identification, and annual physical inventories are performed and compared to detailed records.

Auditee's Response

On the spreadsheet we will be creating to track capital assets, we will include the tag number, description, cost, acquisition date, location, and subsequent disposition. We will ensure assets are properly tagged and annual physical inventories are completed.

City of Miller
Organization and Statistical Information

The City of Miller is located in Lawrence County. The city was incorporated in 1915 and is currently a fourth-class city. The city employed 8 full-time employees and 2 part-time employees on June 30, 2017.

City operations include utility services (water, sewer, and trash), fire, police, maintenance of streets, and parks and recreation.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2017, are identified below. The Mayor is paid $400 per year and the members of the Board of Aldermen are paid $325 per year. The compensation of these officials is established by ordinance.

Dennis Harris, Mayor[1]
Garry Baker, Alderman[1]
Amy McClain, Alderwoman[1]
Amy Johnson, Alderwoman
Robert Johnson, Alderman

[1] Stacey Daniels, Kerry Johnson, and Allen Campbell replaced Dennis Harris, Garry Baker, and Amy McClain in April 2018.

Other Principle Officials

The City Clerk and Police Chief are appointed positions. The City Attorney is a contracted position. The city's principal officials at June 30, 2017, are identified below:

Donna Beck, City Clerk[1]
Melvin Nay, Police Chief [2]
William Petrus, City Attorney[3]

[1] Candace Englind replaced Donna Beck in May 2018.
[2] Levi Neely replaced Melvin Nay in September 2018.
[3] Darlene Parrigon replaced William Petrus in May 2018.

Financial Activity

Appendixes A-D present a summary of the city's financial activity for the year ended June 30, 2017. We obtained this information from the city's audited financial statement report.

CITY OF MILLER, MISSOURI

BALANCE SHEET
(MODIFIED CASH BASIS)
GOVERNMENTAL FUND
JUNE 30, 2017

ASSETS	General Fund
Cash and cash equivalents	$ 259,662
Due from Water/Sewer Fund	82,338
TOTAL ASSETS	$ 342,000
FUND BALANCES	
Fund Balances -	
Nonspendable	$ 82,338
Restricted-streets	191,557
Unassigned	68,105
TOTAL FUND BALANCES	$ 342,000
Reconciliation to Statement of Net Position:	
Total Fund Balances-Total Government Funds	$ 342,000
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	168,762
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(90,399)
Net assets of governmental activities	$ 420,363

CITY OF MILLER, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
(MODIFIED CASH BASIS)
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund
REVENUES	
Taxes:	
Property taxes	$ 49,877
Franchise taxes	33,732
Sales taxes	143,900
Intergovernmental revenue:	
Missouri motor fuel taxes	27,940
Licenses & permits	1,963
Fines & forfeitures	11,793
Interest	92
Reimbursements	2,930
Grants	2,117
Donations	1,800
Rent	3,375
Miscellaneous	2,037
Total Revenues	281,556
EXPENDITURES	
Current:	
General government	72,461
Police	158,468
Streets	10,518
Fire	20,164
Capital outlay	20,057
Debt service:	
Principal	20,663
Interest	5,719
Total Expenditures	308,050
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(26,494)
OTHER FINANCING SOURCES (USES)	
Sale of asset	3,182
Expenditures under investigation	(9,403)
Insurance proceeds	14,610
Total Other Financing Sources (Uses)	8,389
NET CHANGE IN FUND BALANCES	(18,105)
FUND BALANCE - BEGINNING	360,105
FUND BALANCE - ENDING	$ 342,000

CITY OF MILLER, MISSOURI

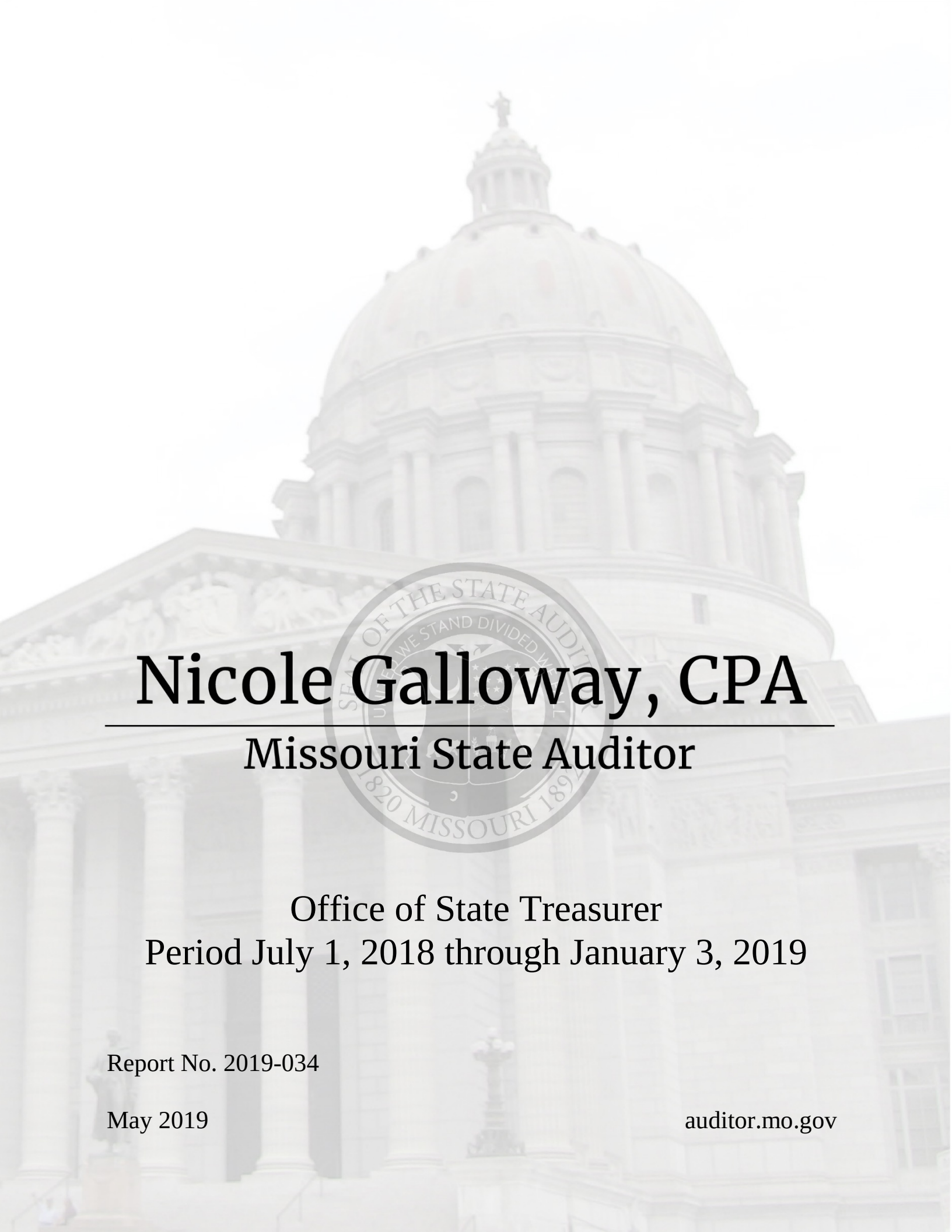
STATEMENT OF NET POSITION
(MODIFIED CASH BASIS)
PROPRIETARY FUND
JUNE 30, 2017

ASSETS		
Noncurrent Assets:		
Restricted assets-cash-debt reserves	$	96,761
Capital assets:		
Land		2,400
Construction in progress		61,851
Other capital assets, net of accumulated depreciation		491,266
TOTAL ASSETS		652,278
LIABILITIES		
Current Liabilities:		
Customer deposits		32,206
Due to General Fund		82,338
Sales tax and primacy fees payable		1,792
Current portion of long-term debt		26,000
Total Current Liabilities		142,336
Noncurrent Liabilities		
Long-term debt - Net of current portion		184,000
Total Noncurrent Liabilities		184,000
TOTAL LIABILITIES		326,336
NET POSITION		
Net investment in capital assets		382,397
Restricted		22,827
Unrestricted (deficit)		(79,282)
TOTAL NET POSITION	$	325,942

CITY OF MILLER, MISSOURI

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION-
(MODIFIED CASH BASIS) PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

OPERATING REVENUES:	
Charges for Services -Water	$ 145,141
-Sewer	122,300
Connection charges and miscellaneous income	17,817
Refuse fees	46,658
Total Revenues	331,916
OPERATING EXPENSES:	
Depreciation	36,880
Dues and subscriptions	209
Group insurance and benefits	18,317
Insurance	8,338
Lab testing	2,162
Miscellaneous	3,889
Office supplies and postage	2,680
Payroll taxes	5,088
Professional fees	524
Refuse fees	43,094
Repairs & maintenance	29,281
Salaries	108,806
Supplies	5,288
Telephone	1,465
Utilities	26,378
Vehicle expense	1,035
Total Operating Expenses	293,434
OPERATING INCOME	38,482
NON-OPERATING REVENUES (EXPENSES):	
Interest expense	(9,962)
Interest income	30
Total Non-Operating Revenues (Expenses)	(9,932)
CHANGE IN NET POSITION	28,550
TOTAL NET POSITION - BEGINNING	297,392
TOTAL NET POSITION - ENDING	$ 325,942



Nicole Galloway, CPA

Missouri State Auditor

Office of State Treasurer
Period July 1, 2018 through January 3, 2019

Report No. 2019-034

May 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the closeout audit of the Office of State Treasurer

Background

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) general and administrative services, (3) investments and deposit programs, and (4) unclaimed property.

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. He served in this role until January 3, 2019, when he was sworn in as Missouri's forty-third Attorney General. His term as State Treasurer was to expire in January 2021. Governor Michael L. Parson appointed Scott Fitzpatrick as State Treasurer and he was sworn in on January 14, 2019. From January 3, 2019, until January 14, 2019, Jonathan M. Hensley served as Assistant State Treasurer.

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Office of State Treasurer
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Appendix

Statement of Appropriations and Expenditures
Period July 1, 2018 through January 3, 2019 6

Honorable Eric Schmitt, Attorney General
and
Honorable Scott Fitzpatrick, State Treasurer
Jefferson City, Missouri

We have audited certain operations of the Office of State Treasurer, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period of July 1, 2018, through January 3, 2019. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.

2. Evaluate the office's compliance with certain legal provisions.

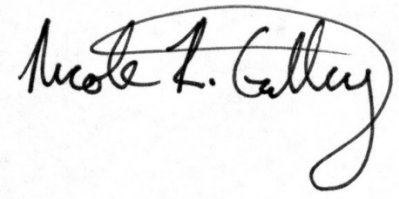
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Office of State Treasurer.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Emily Barraclough, CPA
Audit Staff:	Tori L. Riley, MBA, CFE

Office of State Treasurer
Organization and Statistical Information

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) general and administrative services, (3) investments and deposit programs, and (4) unclaimed property.

The accounting and banking services area (1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, (2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, (3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, (4) reconciles bank activity to receipt and disbursement activity reflected on the state books, (5) determines the amount of state monies not needed for current operating expenses, and (6) confirms daily disbursements with the bank as certified by the Office of Administration.

The general and administrative services area provides processing support to other areas of the office by (1) retrieving state checks, and (2) controlling and processing outlawed and replacement checks, and (3) processing invoices for office expenditures.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447, RSMo). The Unclaimed Property Division is responsible for (1) ensuring unclaimed property is reported, (2) receiving and recording reports of unclaimed property, (3) depositing unclaimed funds to the Abandoned Fund Account Fund, (4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and (5) processing owner claims for abandoned funds or physical property.

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. He served in this role until January 3, 2019, when he was sworn in as Missouri's forty-third Attorney General. His term as State

Treasurer was to expire in January 2021. Governor Michael L. Parson appointed Scott Fitzpatrick as State Treasurer and he was sworn in on January 14, 2019. From January 3, 2019, until January 14, 2019, Jonathan M. Hensley served as Assistant State Treasurer.

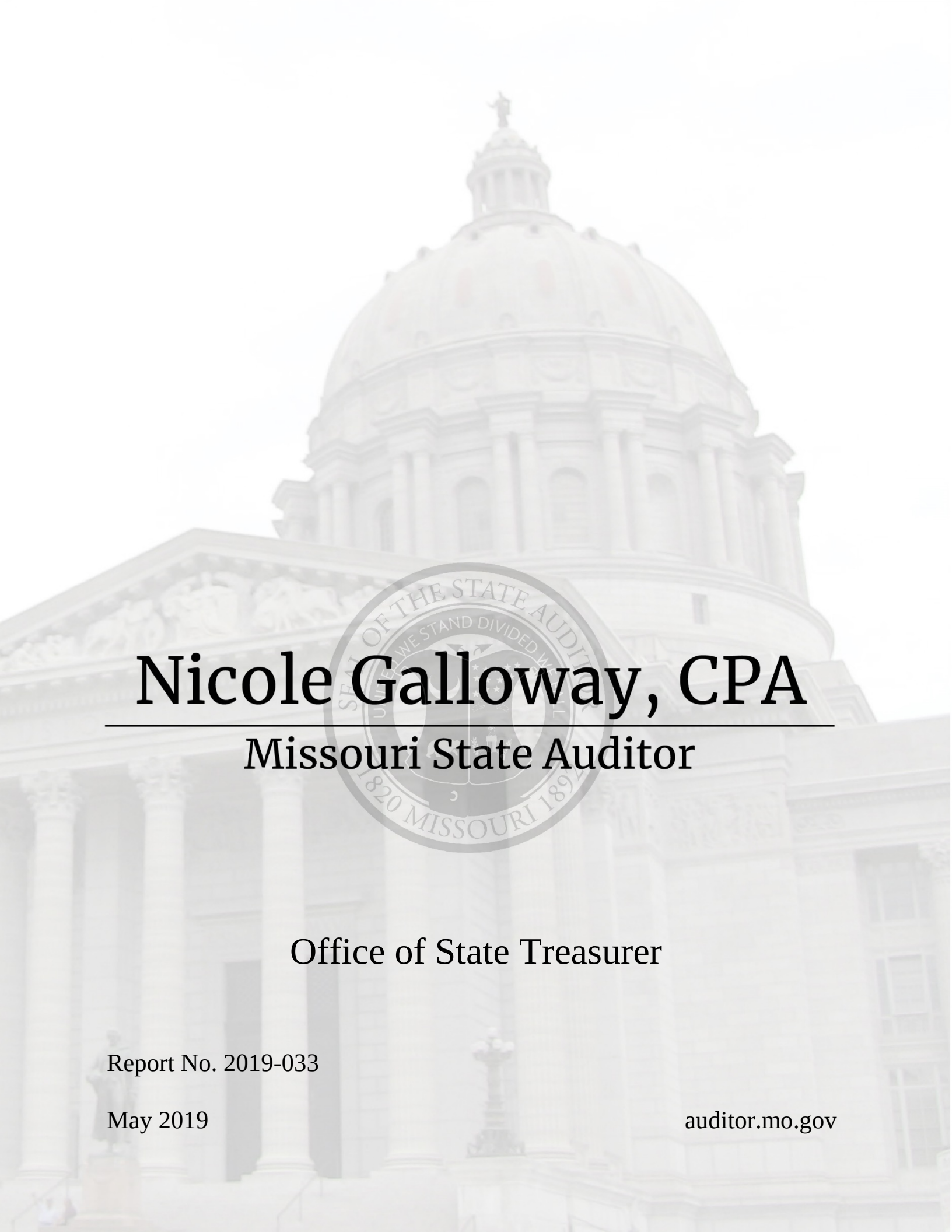
Financial Activity

A summary of the office's operating financial activity is presented in the following Appendix.

Appendix

Office of State Treasurer
Statement of Appropriations and Expenditures
Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
GENERAL REVENUE FUND				
Issuing duplicate/outlawed checks	$ 2,000,000	816,427	0	1,183,573
Refunds of excess interest from the linked deposit program	2,500	79	0	2,421
Total General Revenue Fund	2,002,500	816,506	0	1,185,994
STATE TREASURER'S GENERAL OPERATIONS FUND				
Personal service	1,661,311	781,356	59,989	819,966
Expense and equipment	270,672	95,389	1,383	173,900
Operation of state-owned facilities, utilities, systems, furniture, and structural modifications - expense and equipment	188,526	94,546	33,990	59,990
Total State Treasurer's General Operations Fund	2,120,509	971,291	95,362	1,053,856
TREASURER'S INFORMATION FUND				
Preparation and dissemination of information or publications, or for refunding overpayments	8,000	0	0	8,000
Total Treasurer's Information Fund	8,000	0	0	8,000
CENTRAL CHECK MAILING SERVICE REVOLVING FUND				
Personal service	12,557	6,906	576	5,075
Expense and equipment	225,000	30,567	0	194,433
Total Central Check Mailing Service Revolving Fund	237,557	37,473	576	199,508
ABANDONED FUND ACCOUNT FUND				
Personal service	603,736	290,933	23,872	288,931
Expense and equipment	98,600	34,879	1,009	62,712
Advertising and auctions	1,475,000	178,092	0	1,296,908
Payment of claims for abandoned property transferred by holders to the state	49,000,000	20,661,382	0	28,338,618
Total Abandoned Fund Account Fund	51,177,336	21,165,286	24,881	29,987,169
Total All Funds	$ 55,545,902	22,990,556	120,819	32,434,527



Nicole Galloway, CPA

Missouri State Auditor

Office of State Treasurer

Report No. 2019-033

May 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of State Treasurer

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Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from this audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Eric Schmitt, Attorney General
and
Honorable Scott Fitzpatrick, State Treasurer
Jefferson City, Missouri

We have audited certain operations of the Office of State Treasurer, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.

2. Evaluate the office's compliance with certain legal provisions.

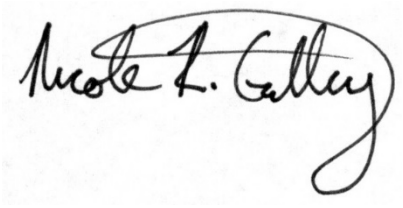
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Office of State Treasurer.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Emily Barraclough, CPA
Audit Staff:	Tori L. Riley, MBA, CFE
	Emmett Spradlin

Office of State Treasurer
Organization and Statistical Information

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits at Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, short-term U.S. government securities, or certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas (1) accounting and banking services, (2) general and administrative services, (3) investments and deposit programs, and (4) unclaimed property.

The accounting and banking services area (1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, (2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, (3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, (4) reconciles bank activity to receipt and disbursement activity reflected on the state books, (5) determines the amount of state monies not needed for current operating expenses, and (6) confirms daily disbursements with the bank as certified by the Office of Administration.

The general and administrative services area provides processing support to other areas of the office by (1) retrieving state checks, and (2) controlling and processing outlawed and replacement checks, and (3) processing invoices for office expenditures.

The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447, RSMo). The Unclaimed Property Division is responsible for (1) ensuring unclaimed property is reported, (2) receiving and recording reports of unclaimed property, (3) depositing unclaimed funds to the Abandoned Fund Account Fund, (4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and (5) processing owner claims for abandoned funds or physical property.

On January 9, 2017, Eric Schmitt was inaugurated as the forty-sixth Treasurer of the state of Missouri. He served in this role until January 3, 2019, when he was sworn in as Missouri's forty-third Attorney General. His term as State Treasurer was to expire in January 2021. Governor Michael L. Parson

appointed Scott Fitzpatrick as State Treasurer and he was sworn in on January 14, 2019. From January 3, 2019, until January 14, 2019, Jonathan M. Hensley served as Assistant State Treasurer.

As of June 30, 2018, the office had 45 full-time positions and 2 part-time positions to assist in the accomplishment of its mission.

Financial Activity

A summary of the office's operating financial activity, cash and investment balances, and investment income is presented in the following Appendixes and in the Notes to the Appendixes.

Appendix A

Office of State Treasurer
Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2018

STATE TREASURER'S GENERAL OPERATIONS FUND		
Receipts	$	2,576,784
Disbursements		2,027,432
Receipts Over (Under) Disbursements		549,352
Transfers In[1]		271
Transfers Out[2]		(764,807)
Receipts Over (Under) Disbursements and Transfers		(215,184)
Cash and Investments, July 1		1,680,279
Cash and Investments, June 30	$	1,465,095
TREASURER'S INFORMATION FUND		
Receipts	$	392
Disbursements		86
Receipts Over (Under) Disbursements		306
Transfers In		0
Transfers Out		0
Receipts Over (Under) Disbursements and Transfers		306
Cash and Investments, July 1		1,704
Cash and Investments, June 30	$	2,010
CENTRAL CHECK MAILING SERVICE REVOLVING FUND		
Receipts	$	85,463
Disbursements		74,525
Receipts Over (Under) Disbursements		10,938
Transfers In		0
Transfers Out[2]		(7,849)
Receipts Over (Under) Disbursements and Transfers		3,089
Cash and Investments, July 1		11,047
Cash and Investments, June 30	$	14,136

Appendix A

Office of State Treasurer
Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2018

ABANDONED FUND ACCOUNT FUND		
Receipts	$	98,856,351
Disbursements		45,642,387
Receipts Over (Under) Disbursements		53,213,964
Transfers In[3]		2,563,519
Transfers Out[4]		(47,357,062)
Receipts Over (Under) Disbursements and Transfers		8,420,421
Cash and Investments, July 1		25,676,910
Cash and Investments, June 30	$	34,097,331
Total Cash and Investments, June 30, All Funds	$	35,578,572

[1] Transfers In consist of net proceeds received from the sale of surplus property.

[2] Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

[3] Transfers In generally include the receipt of outdated state checks by the Abandoned Fund Account Fund.

[4] Transfers Out generally include payments for fringe benefits, distribution of excess cash balance of the Abandoned Fund Account Fund to the General Revenue Fund and the State Public School Fund, and distribution of certain unclaimed property values to the Mental Health Trust Fund in accordance with state laws.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2018			2017		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Issuing duplicate/outlawed checks	$ 3,750,000	1,803,708	1,946,292	3,115,000	3,101,374	13,626
Debt service and maintenance on the Edward Jones Dome project in St. Louis[1]	0	0	0	12,000,000	12,000,000	0
Refunds of excess interest from the linked deposit program	2,500	694	1,806	2,500	0	2,500
Total General Revenue Fund	3,752,500	1,804,402	1,948,098	15,117,500	15,101,374	16,126
STATE TREASURER'S GENERAL OPERATIONS FUND						
Personal service	1,649,870	1,600,506	49,364	1,649,870	1,548,562	101,308
Expense and equipment	270,672	245,297	25,375	270,672	254,617	16,055
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - expenses and equipment	181,629	181,629	0	181,227	181,113	114
Total State Treasurer's General Operations Fund	2,102,171	2,027,432	74,739	2,101,769	1,984,292	117,477
TREASURER'S INFORMATION FUND						
Preparation and dissemination of information or publications, or for refunding overpayments	8,000	86	7,914	8,000	177	7,823
Total Treasurer's Information Fund	8,000	86	7,914	8,000	177	7,823
CENTRAL CHECK MAILING SERVICE REVOLVING FUND						
Personal service	12,382	11,882	500	12,382	11,678	704
Expense and equipment	225,000	62,643	162,357	225,000	72,655	152,345
Total Central Check Mailing Service Revolving Fund	237,382	74,525	162,857	237,382	84,333	153,049

Appendix B

Office of State Treasurer
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2018			2017		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
ABANDONED FUND ACCOUNT FUND						
Personal service	597,664	565,817	31,847	597,664	572,263	25,401
Expense and equipment	98,600	63,152	35,448	98,600	67,325	31,275
Advertising and auctions	1,475,000	1,282,747	192,253	1,475,000	1,469,143	5,857
Payment of claims for abandoned property transferred by holders to the state	49,000,000	43,734,033	5,265,967	43,400,000	43,082,600	317,400
Total Abandoned Fund Account Fund	51,171,264	45,645,749	5,525,515	45,571,264	45,191,331	379,933
Total All Funds	$ 57,271,317	49,552,194	7,719,123	63,035,915	62,361,507	674,408

[1] In the fiscal year 2017 budget, the General Assembly moved the appropriation for the state's share of debt service and maintenance payments for the Edward Jones Dome from the Office of Administration to the Office of State Treasurer. At the Office of State Treasurer's request, the appropriation was moved back to the Office of Administration in the fiscal year 2018 budget.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix C

Office of State Treasurer
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Salaries and wages	$ 2,178,205	2,132,503	1,975,562	1,977,508	1,990,012
Travel, in-state	5,840	7,970	12,155	27,744	16,337
Travel, out-of-state	16,927	16,941	17,562	11,891	10,695
Supplies	235,495	224,035	238,068	235,324	226,417
Professional development	31,318	24,543	25,167	33,606	19,293
Communication services and supplies	116,255	93,507	90,920	95,845	92,383
Services:					
Professional	1,082,089	1,328,315	1,071,939	956,632	1,102,332
Housekeeping and janitorial	1,815	1,980	1,980	1,980	1,980
Maintenance and repair	80,463	78,979	70,556	67,226	63,940
Equipment:					
Computer	28,767	16,968	149,959	20,367	19,017
Office	31,658	57,827	17,817	2,367	9,066
Other	15,473	823	10,882	832	1,265
Debt service[1]	0	10,000,000	0	0	0
Building lease payments	185,629	185,113	183,883	189,533	203,266
Equipment rental and leases	45	3,470	0	1,260	1,188
Miscellaneous expenses	3,780	4,559	3,029	3,222	4,200
Refunds	694	0	290	2,463	530
Program distributions:					
Aid to local governments[1]	0	2,000,000	0	0	0
Abandoned funds claim payments	43,734,033	43,082,600	38,888,067	39,309,427	38,604,634
Replacement of outlawed checks	1,803,708	3,101,374	2,136,558	1,886,854	1,614,309
Other	0	0	0	14,020	225,596
Total Expenditures	$ 49,552,194	62,361,507	44,894,394	44,838,101	44,206,460

[1] In the fiscal year 2017 budget, the General Assembly moved the appropriation for the state's share of debt service and maintenance payments for the Edward Jones Dome from the Office of Administration to the Office of State Treasurer. At the Office of State Treasurer's request, the appropriation was moved back to the Office of Administration in the fiscal year 2018 budget.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix D

Office of State Treasurer
Comparative Statement of Funds in Custody of State Treasurer

	June 30,				
	2018	2017*	2016*	2015*	2014*
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	$ 190,783	1,006,127	2,718,966	2,550,938	89,043
Central Bank	(63,968,235)	(84,044,969)	(25,848,693)	44,683,911	25,816,389
Wells Fargo Bank	10,103,874	5,384	75,028,840	75,005,354	75,008,898
Commerce Bank	1,168,616	3,611,892	10,843,993	8,823,746	8,049,837
UMB Bank	107,057	93,945	16,425	124,063	36,741
Collection bank accounts	2,774,502	2,985,918	3,044,368	2,472,076	2,058,783
Total Demand Deposits	(49,623,403)	(76,341,703)	65,803,899	133,660,088	111,059,691
Pooled Investments:					
Time deposits	498,249,439	454,627,838	461,744,279	496,858,052	531,748,998
U.S. government securities	2,295,041,372	2,367,934,784	2,232,541,484	2,185,298,465	2,100,914,983
Repurchase agreements	1,166,852,000	780,508,000	1,088,870,000	877,952,000	833,101,000
Total Pooled Investments	3,960,142,811	3,603,070,622	3,783,155,763	3,560,108,517	3,465,764,981
Total Demand Deposits and Pooled Investments	3,910,519,408	3,526,728,919	3,848,959,662	3,693,768,605	3,576,824,672
Special Fund Dedicated Investments:					
U.S. government securities	55,112,253	52,812,899	51,886,441	49,265,012	46,998,293
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	55,117,383	52,818,029	51,891,571	49,270,142	47,003,423
Total Appropriated Funds	3,965,636,791	3,579,546,948	3,900,851,233	3,743,038,747	3,623,828,095
NONAPPROPRIATED FUNDS					
Demand deposits	13,141,371	13,003,465	12,553,715	13,505,558	12,721,952
Repurchase agreements	0	0	0	0	1,012,000
Total Nonappropriated Funds	13,141,371	13,003,465	12,553,715	13,505,558	13,733,952
Total Cash and Investments	$ 3,978,778,162	3,592,550,413	3,913,404,948	3,756,544,305	3,637,562,047

* Fiscal years 2017, 2016, 2015, and 2014 have been restated to reclassify certain account balances from the collection bank accounts totals to the Central Bank totals.

The accompanying Notes to the Appendixes are an integral part of this statement.

Appendix E

Office of State Treasurer
Comparative Statement of Interest Received on Pooled Investments

	Year Ended June 30,				
	2018	2017	2016	2015	2014
INTEREST RECEIPTS					
Appropriated funds	$ 47,231,264	27,978,208	23,254,495	21,614,688	23,995,693
Non-appropriated funds	0	0	0	1,555	808
Total Interest Receipts	$ 47,231,264	27,978,208	23,254,495	21,616,243	23,996,501

The accompanying Notes to the Appendixes are an integral part of this statement.

Notes to the Appendixes

1. Basis of Presentation

Amounts presented in Appendixes A through E are reported on the budgetary or cash basis of accounting. The budgetary basis recognizes revenues as cash is received and expenditures as cash is disbursed. Missouri issued a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018, in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial activity of the Office of State Treasurer is included in the CAFR.

The amounts presented in Appendix A represent receipts, disbursements, transfers, and cash and investment balances of funds that are dedicated to the activities and programs of the office.

The amounts presented in Appendixes B and C represent funds appropriated to the office by the Missouri General Assembly and expended by the office.

The amounts presented in Appendixes D and E represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The appendixes do not include any funds or investments that are not in the custody of the State Treasurer.

2. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by at least 2 nationally recognized statistical rating organizations and in commercial paper, issued by domestic corporations receiving the highest rating issued by at least 2 nationally recognized statistical rating organizations. Investments in bankers acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy that shall include an asset allocation plan limiting

the total amount of state money that may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 43 demand deposit bank accounts that serve as the state's primary operating accounts, and 101 additional demand deposit bank accounts throughout the state, some with multiple depositing locations, that serve as collection accounts for various state agencies. Cash balances in the state's accounts that are not needed for immediate use are invested.

The demand deposit accounts on Appendix D are used to manage the state's daily receipt, disbursement, and transfer activities and to segregate funds available for investing. The demand deposit accounts consist of the following:

Demand Deposit Accounts

	June 30, 2018		June 30, 2017		June 30, 2016	
	Bank Balance ($)	Number of Accounts	Bank Balance ($)	Number of Accounts	Bank Balance ($)	Number of Accounts
US Bank	190,783	1	1,006,127	1	2,718,966	1
Central Bank	53,972,648	32	88,675,672	32	156,046,811	32
Commerce Bank	1,293,481	8	4,160,519	8	10,950,216	8
Wells Fargo	10,100,000	1	34,374	2	75,048,536	2
UMB Bank	107,057	1	93,945	1	16,425	1
Collection bank accounts	2,891,959	101	3,176,418	104	3,181,451	102

Banking service agreements on the operating demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. Negative balances at June 30 (Appendix D) for any bank's appropriated funds demand deposits represent the book balance net of amounts invested.

The State Treasurer's deposits at June 30, 2018, were entirely covered by federal depositary insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2018, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

Investments in Custody of State Treasurer - June 30, 2018

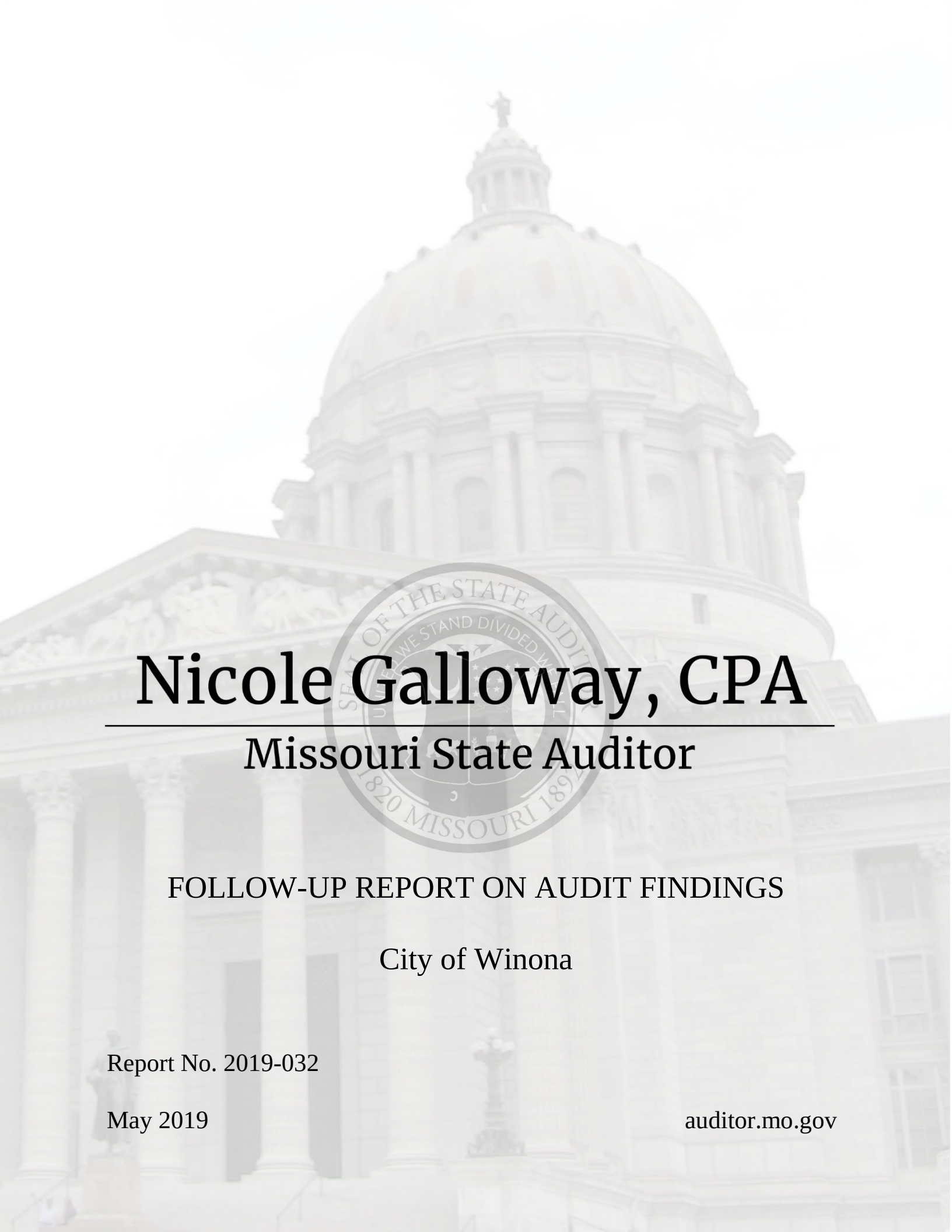
		Reported Amount	Fair Value
Time deposits	$	498,249,439	498,249,439
U.S. government securities		2,350,153,625	2,330,705,178
Repurchase agreements		1,166,852,000	1,166,852,000
Other investments		5,130	73,064
Total investments	$	4,015,260,194	3,995,879,681

Investments are recorded at acquisition cost except "other" investments, which are recorded at par. Investments in time deposits and repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

3. Special Fund Dedicated Investments

The State Treasurer is assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Appendix D represent specific investments made or held by the State Treasurer on behalf of the Pansy Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansy Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.



Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Winona

Report No. 2019-032

May 2019

auditor.mo.gov

City of Winona
Follow-Up Report on Audit Findings
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Winona, Missouri

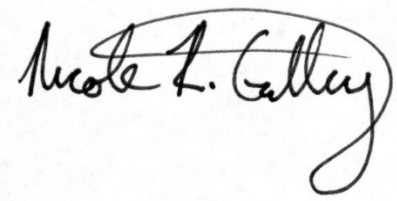
We have conducted follow-up work on certain audit report findings contained in Report No. 2018-069, *City of Winona* (rated as Poor), issued in September 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussion with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financials records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during March 2019.



Nicole R. Galloway, CPA
State Auditor

City of Winona
Follow-Up Report on Audit Findings
Status of Findings

1. Missing Monies

The audit identified at least $42,546 of recorded utility and miscellaneous receipts that were not deposited between January 1, 2015, and March 29, 2017.

Undeposited cash receipts

Recorded cash receipts totaling at least $34,689 were not deposited between January 1, 2015, and March 21, 2017. Unrecorded checks totaling $31,601 were substituted into deposits for the recorded cash receipts not deposited. Most of the unrecorded checks were city checks issued by the City Clerk for the transfer of monies from one bank account to another. In addition, manual receipt slips were issued for some monies received that were not included in the deposit reports and were not deposited totaling $3,088.

Undeposited check payments

Utility receipts totaling at least $7,245 were recorded as check payments from January 1, 2015, through March 21, 2017, but these checks could not be traced to a deposit.

Cash count and subsequent deposit

Our March 28, 2017, cash count and review of the subsequent deposits identified cash shortages of $612.

Questionable utility transactions

A review of April 2017 deposits identified questionable cash deposits and utility account postings that occurred 10 days after the cash count. The cash payments were recorded on April 5 and 6, 2017, to 17 old inactive utility accounts with balances due. This cash was not on hand at the time of our cash count and it is unlikely these customers all paid on the same days.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding prosecution of the missing monies and take the necessary actions to seek restitution for amounts missing.

Status

Implemented

The Board of Aldermen indicated they are continuing to work with law enforcement officials regarding prosecution of the former City Clerk and will take the necessary action to obtain restitution. A criminal charge of stealing was filed against the former City Clerk and the case is ongoing as of April 2019.

2. Oversight, Segregation of Duties, and Annual Audits

The Board of Aldermen did not provide adequate oversight of the City Clerk and the Utility Clerk positions or obtained annual audits as required by state law.

2.1 Oversight and segregation of duties

The Board had not established adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the City Clerk and the Utility Clerk.

Recommendation

The Board of Aldermen segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

Status

Implemented

The City Clerk indicated deposits are currently reviewed by city personnel independent of the personnel collecting monies and preparing the deposits. Each month, the City Clerk reconciles utility system receipts to the amounts recorded by the Utility Clerk in the city's accounting system. The Utility Clerk prepares reports of utility billings, collections, and delinquent accounts monthly that are presented to the Board for review. The Mayor reviews bank statements and bank reconciliations monthly. During our review of accounting records for December 2018, we noted documentation of these various reviews.

2.2 Annual audits

The city did not obtain annual audits as required.

Recommendation

The Board of Aldermen obtain annual audits of the waterworks and sewerage system as required by state law.

Status

In Progress

The city entered into an engagement letter dated March 8, 2019, with an accounting firm to perform an audit of the city for the year ended December 31, 2017. This audit had not yet been completed as of the end of March. The City Clerk indicated the same accounting firm will also perform an audit for the year ended December 31, 2018, after the year ended December 31, 2017, audit is completed.

3.1 Cash Handling Procedures and Bank Accounts - Receipting, recording, and depositing

The city's procedures for receipting, recording, and depositing monies were poor.

Receipting

The Utility Clerk did not issue official prenumbered receipt slips for some monies received, account for the numerical sequence of manual receipt slips or electronic receipt numbers, and reconcile manual receipt slips issued to the utility system or monies deposited. Also, the top copy of 12 receipt slips voided during the period January 1, 2015, through March 21, 2017, were not retained.

Recording

The City Clerk and Utility Clerk improperly recorded vendor payments and third-party checks to customer utility accounts. Rather than paying a local tire vendor directly for services rendered, the City Clerk issued checks made

payable to the city for amounts owed to the vendor and used those checks to pay the vendor's utility balance. The Utility Clerk sometimes accepted third-party checks from customers as payments for utility bills. The Utility Clerk often recorded these receipts as cash payments instead of checks, creating differences in composition.

Depositing

The Utility Clerk did not deposit receipts intact or timely or reconcile the composition of receipts to the composition of deposits. The Utility Clerk sometimes held checks at the request of customers. The City Clerk and Utility Clerk cashed checks for city employees, family members, and utility customers. The Utility Clerk improperly recorded utility payments for the Mayor and Board of Aldermen, resulting in records not reflecting actual transactions as they occurred and causing discrepancies in deposits. The clerks indicated they used cash on hand to reimburse the bank for non-sufficient funds (NSF) checks received. The Utility Clerk did not deposit receipts timely.

Recommendation

The Board of Aldermen ensure receipt slips are issued for all monies received; all copies of voided receipt slips are retained; the numerical sequence of receipt slips and electronic receipt numbers is accounted for; the composition of receipts is reconciled to the composition of deposits; and monies are deposited timely and intact. The Board should also ensure payments are properly recorded for vendors and the Mayor and Aldermen's compensation. In addition, the Board should discontinue the practice of accepting third-party checks, cashing personal checks, and using cash receipts to reimburse the bank for NSF checks.

Status

In Progress

We reviewed financial activity for December 2018, and noted receipt slips were not issued for monies received for some recycle bags, or for checks received for property taxes, merchant licenses, and other miscellaneous fees. The City Clerk indicated the city has purchased a new computer system that will issue receipt slips for all transactions in the future. The City Clerk indicated voided receipt slips are now retained. No manual receipt slips were voided during the financial activity reviewed for December 2018. The City Clerk indicated city personnel account for the numerical sequence of manual receipt slips by reviewing the prior receipt slip issued to ensure no receipt slips have been skipped. She also indicated she accounts for the numerical sequence of manual and electronic utility receipts as she records them in the electronic accounting system. During our review of December 2018 records, we were able to account for the numerical sequence of manual and electronic receipts. In addition, the composition of receipts was reconciled to the composition of deposits, and monies were deposited timely and intact.

The City Clerk indicated payments to vendors and the Mayor and Aldermen for compensation are properly recorded and that the Mayor and Aldermen's utility bills are no longer reduced as a form of compensation. The City Clerk indicated the practice of accepting third-party checks, cashing personal checks, and using cash receipts to reimburse the bank for NSF checks was discontinued. During our review of December 2018 records, we noted the city did not accept any third-party checks, cash personal checks, or use cash receipts to reimburse the bank for NSF checks.

3.2 Cash Handling Procedures and Bank Accounts - Bank accounts

The city maintained an excessive number of bank accounts, resulting in cumbersome record keeping, and it was unclear whether the city had the legal authority to maintain an annuity. The Board subsequently closed the annuity in 2018 and deposited the monies into a checking account.

Recommendation

The Board of Aldermen consider reducing the number of bank accounts.

Status

Implemented

In November 2018, the Board approved consolidating the city's bank accounts into 4 primary bank accounts. The City Clerk is in the process of changing electronic deposits and payment information and waiting for all outstanding checks to clear the bank, and plans to close the various bank accounts no longer being used.

4. Restricted Funds, Allocations, and Excess Sales Tax

The city had not established adequate procedures to ensure restricted revenues were credited to the appropriate fund or to ensure these monies were used only for intended purposes. In addition, the city had imposed general sales taxes that exceed the statutory maximum allowed.

4.1 Restricted revenues

The city had not established procedures to properly track and record various statutorily restricted monies.

- Monies collected for trash services were deposited into the city's General Fund bank account, while disbursements related to these services were paid out of the Solid Waste Fund bank account. Revenues received from a general sales tax were incorrectly deposited into the Solid Waste Fund and used to pay the cost of trash services.

- Utility reconnection fees were incorrectly deposited and recorded in the General Fund rather than the Water or Sewer Funds bank account.

- State motor vehicle-related tax revenues were incorrectly deposited into the Capital Improvement Fund bank account rather than the Street Fund bank account. The Board inappropriately purchased a police vehicle in 2016 with monies from the Capital Improvement Fund bank account.

- During the year ended December 31, 2016, the City Clerk allocated all fuel, oil, parts, and repairs/maintenance costs associated with city maintenance vehicles to the Street Fund bank account. Employees use city vehicles and equipment for all city utility and street maintenance services, so costs should be allocated between various funds.

Recommendation

The Board of Aldermen deposit restricted monies in the appropriate fund, establish procedures to ensure restricted monies are used only for allowable purposes, and ensure shared costs are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

Status

In Progress

During our review of financial activity for December 2018, we noted that monies collected for trash services were properly deposited into the Solid Waste Fund bank account and utility reconnection fees were properly deposited into Water and Sewer Funds bank account. General sales taxes were direct deposited into the Solid Waste Fund bank account; however, most of these monies were transferred to the General Fund bank account and properly recorded in the General Fund during 2018. State motor vehicle-related tax revenues were direct deposited into the Capital Improvement Fund bank account; however, these monies were transferred to the Street Fund bank account and properly recorded in the Street Fund. The City Clerk indicated she is working with the Department of Revenue to have these sales tax monies direct deposited into the proper bank account in the future. Our review of 2 invoices paid in December 2018, (fuel and supplies), showed these costs were allocated to various city funds based on documented usage.

4.2 Allocation of salaries and fringe benefits

Several city employees performed tasks related to multiple city functions, but the city had no documentation to justify the allocation of salaries and fringe benefit expenses to various funds. City officials had not established allocation percentages and did not maintain documentation to support how allocations were determined.

Recommendation

The Board of Aldermen allocate salary and fringe benefit expenses to city funds based on specific criteria and retain documentation to support the allocation.

Status

Implemented

The city developed forms to track the employee time spent on multiple city functions each month. These forms are used to prepare a spreadsheet that allocates employee salaries and fringe benefits to various funds based on the time worked on functions within each fund. Documentation to support the allocation of salaries and fringe benefits was retained.

4.3 Excess general sales tax

The city had imposed 2 sales taxes, totaling 1.5 percent, which exceeded the statutory maximum allowed for general sales taxes per Section 94.510, RSMo, by 1/2 percent.

Recommendation

The Board of Aldermen consult with legal counsel to review the sales taxes levied and determine the disposition of any invalid sales taxes collected. In addition, prior to submitting any future sales taxes to voters for approval, the Board should ensure an adequate legal analysis is conducted.

Status

In Progress

In December 2018, the Board voted to repeal the 1/2 percent city sales tax for law enforcement purposes that was passed in April 2016 under Section 94.510, RSMo. However, the repeal will not be effective until December 2019. Based upon a verbal legal opinion, the Board placed a 1/2 percent city sales tax for general purposes under Sections 94.500 to 94.550, RSMo, on the April 2019 ballot. However, this sales tax was not approved by the voters.

5.1 Utility System Controls and Procedures - Utility rates

Water, sewer, electric, and trash rates were not supported by a cost study or other documentation showing how the rates were determined.

Recommendation

The Board of Aldermen ensure a statement of costs is prepared to support utility rate increases and document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services.

Status

In Progress

A rate study of the water and sewer system was completed in November 2018. As a result of the rate study, water and sewer rates were adjusted in February 2019. The City Clerk indicated the city is in the process of obtaining a rate study for electric services. The city does not plan to obtain a rate study for solid waste services because the city charges the amount charged by the trash vendor.

5.2 Utility System Controls and Procedures - Utility reconciliations

City personnel did not prepare proper reconciliations related to utility services. The Maintenance Supervisor did not perform monthly reconciliations of total gallons of water billed to gallons of water pumped. The Utility Clerk did not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services.

Recommendation

The Board of Aldermen ensure monthly reconciliations of water usage and amounts billed to amounts collected and delinquent accounts are performed.

Status	**Implemented** The Maintenance Supervisor prepares a reconciliation of total gallons of water billed to gallons of water pumped. Our review of the December 2018 reconciliation showed a difference of 1,679,910 gallons of water or a 46 percent water loss. The City Clerk indicated several leaks were corrected and the water loss decreased to 29 percent in January 2019. The Utility Clerk prepares monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services. We reviewed the December 2018 reconciliation and no differences were noted. The City Clerk indicated these reports are presented to the Board at each monthly meeting.
5.3 Utility System Controls and Procedures - Adjustments	The Utility Clerk posted adjustments to customer accounts, including writing off charges caused by water leaks or incorrect meter readings, without obtaining independent approval or maintaining adequate documentation to support the reason for many adjustments.
Recommendation	The Board of Aldermen ensure all adjustments are independently approved and supporting documentation is retained.
Status	**Implemented** Our review of 3 utility adjustments made in January 2019, totaling $426, showed the Mayor independently approved the utility adjustments made by the Utility Clerk, and supporting documentation of the adjustments was retained.
5.6 Utility System Controls and Procedures - Penalties, shut off procedures, and usage calculations	City procedures did not comply with city ordinances when assessing penalties, discontinuing services, and calculating usage. Penalties for late payments were assessed on the 15th of each month instead of the 10th of each month as required, and the 5 percent penalty was assessed on the amount of current utility charges rather than the full amount due. The Utility Clerk granted shut off extensions at the request of the utility customers and these requests were not documented or approved by the Board. Penalties and shut off procedures were not followed for utility check payments held at the customers' requests. Sewer usage charges were not calculated on actual monthly usage, but were instead calculated on the average water usage for the months of November, December, and January of each year.
Recommendation	The Board of Aldermen ensure compliance with utility ordinances.
Status	**Partially Implemented** The City Clerk indicated all late charges are now assessed on the 11th of each month. However, city ordinance requires late fees to be assessed on the 11th for residential customers and on the 16th for commercial customers. The

Utility Clerk indicated the utility system can only assess late fees on one day of the month; therefore all late charges are assessed on the 11th. Penalties are assessed on the amount of current utility charges and not the full amount due. Utilities are shut off on the 15th of the month for residential and the 20th for commercial. However, city ordinance requires shut offs to be completed on the day after the 15th for residential customers, and the day after the 20th for commercial customers. No requests for shut off extensions were made during our review of utility records for December 2018. Sewer usage charges are calculated on actual monthly water usage; however, charges are still not calculated in compliance with city ordinance.

5.7 Utility System Controls and Procedures - Inactive accounts

City personnel were not proactive in following up on inactive utility account balances. The inactive account listing included some balances dating back to 1994 and showed 46 account holders were deceased. Some delinquent accounts were not submitted to the collection agency.

Recommendation

The Board of Aldermen ensure sufficient procedures are developed to collect accounts receivable and all past due accounts are submitted to the collection agency.

Status

Implemented

In December 2018, the Board approved writing off 117 inactive utility account balances totaling $9,203 that dated back more than 10 years, belonged to deceased account holders, or involved a bankruptcy. The City Clerk indicated the Board reviews a report of utility accounts that have been turned over to the collection agency each month.

6.1 Payroll and Related Matters - Timesheets, leave records, and questionable payments

Significant improvement was needed with timesheets and leave records, and some employees may have been overpaid.

Timesheets

Timesheets were not always signed by the employee or his/her supervisor to document approval of time worked and leave used. In addition, overtime hours worked were not consistently documented on timesheets and punch cards for some employees.

Leave records

Leave records maintained were inaccurate and did not adequately track the number of hours of vacation and sick leave earned, used, and any remaining balances.

Questionable payments

The city compensated full-time police officers for 40 hour work weeks (weekly salary) even when they did not work 40 hours or take leave for unworked hours. Also, some overtime appeared questionable. Timesheets for

some city maintenance employees indicated overtime hours were paid for "turn-ons." Turning on and shutting off utilities was part of the maintenance employees' normal daily job duties, and it was not clear from the timesheets that any additional hours were worked.

Recommendation

The Board of Aldermen ensure timesheets are adequately prepared, and properly signed and approved; employee leave balances are properly tracked and monitored; and reviews of timesheets are performed to ensure the propriety of payroll payments.

Status

Implemented

During our review of December 2018 employee timesheets, we noted timesheets were adequately prepared and signed by the employees and reviewed and signed by the employees' supervisors. Our review of leave records for December 2018 indicated employee leave balances were properly tracked; only one employee's leave record was not accurate. Our review of timesheets and payroll records for the month of December 2018 showed police officers are only paid compensation for the actual number of hours worked and maintenance employees are no longer paid for "turn-ons."

6.2 Payroll and Related Matters - Personnel policies

The city's personnel policy did not adequately address compensatory time, holiday pay, overtime, or the employment and supervision of related employees, and city employees did not always followed established policies.

Compensatory time

City hall and city maintenance employees accrued and used compensatory time without Board review and approval.

Holidays

The city's personnel policy did not adequately address holiday pay, and there were inconsistencies in the number of hours employees received for holidays. Some employees inappropriately received double-pay for working on a holiday and also the weekday designated for observance of a weekend holiday.

Vacation

Vacation leave was not accrued in compliance with city policy, and vacation leave was not accurately and timely paid out at the end of employment for one employee.

Overtime

Nonworking time (vacation, sick leave, and holidays) was included in total hours worked when determining the amount of overtime earned by employees.

Related employees

The Maintenance Supervisor directly supervised his nephew.

Recommendation

The Board of Aldermen review and update the personnel policy, as necessary, and ensure compliance with the policy.

Status

Implemented

The Board updated the city's personnel policy in January 2018. While the policy does not address compensatory time, the City Clerk indicated compensatory time is no longer accrued or used by city employees and all overtime worked is paid to employees with their regular paychecks. City policy provides for employees to receive holiday pay based on work shift hours. General and maintenance employees are provided 8 hours of holiday pay, while police department personnel are provided 10 to 12 hours of holiday pay based on work shifts. The policy only provides for an employee to receive double-pay if scheduled to work on a holiday. The City Clerk indicated vacation leave is not allowed to be used until the employee has accrued the vacation leave, and employees accrue vacation leave upon the anniversary of their employment date. The personnel policy states employees must work in excess of 40 hours per week to earn overtime, and holidays and paid time off do not count as work time. The personnel policy also states that related employees are not allowed to supervise relatives, and the Mayor now supervises all employees related to each other.

6.5 Payroll and Related Matters - Additional compensation and withholding and reporting of compensation

Improvement was needed in the city's handling of additional compensation and the withholding and reporting of compensation. Additional compensation totaling $4,800 and $2,400 was paid to the City Clerk and Utility Clerk, respectively, during the year ended December 31, 2016. However, timesheets or other supporting documentation was not retained to support the compensation, and these payments were not included on the employees' W-2 forms and were not subjected to payroll tax withholdings. The Mayor and Aldermen received a $100 reduction in their monthly utility bills as compensation; however, these amounts were not reported on their W-2 forms and were not subjected to payroll tax withholdings.

Recommendation

The Board of Aldermen review the additional compensation, and ensure additional time worked, if any, is reported on employee timesheets and compensated properly. In addition, the Board should ensure previous years' W-2 forms are amended, as appropriate, and compensation is properly reported and subjected to proper withholdings.

Status

Partially Implemented

The city no longer pays the City Clerk and Utility Clerk additional compensation. City employees are only compensated for the time worked and documented on timesheets. The City Clerk indicated amended W-2 forms were not issued to the City Clerk, Utility Clerk, Mayor, or the Aldermen for the compensation paid in previous years.

7.1 Disbursements - Disbursement review and documentation

The city's disbursement review and documentation procedures needed improvement.

List of bills

The list of bills provided to the Board for review and approval were not compared to invoices and actual checks written and did not include payroll disbursements.

Approval of invoices

The City Clerk did not require department heads to document their review and approval of invoices and did not require documentation acknowledging receipt of goods or services.

Supporting documentation

The City Clerk did not maintain adequately detailed supporting documentation for several disbursements.

Recommendation

The Board of Aldermen ensure all payments made are included in the listing of bills presented for approval, approval of the list of bills is documented, and the approved list of bills is compared to invoices and checks written. In addition, the Board should ensure invoices are adequately reviewed and require documentation of receipt of goods and/or services prior to payment of invoices. The Board should also maintain adequate supporting documentation for all disbursements.

Status

Partially Implemented

Our review of the list of bills for the Electric Fund for December 2018 showed all payments were included on the list. Meeting minutes documented the Board's approval of the list of bills, and the list was retained with the meeting minutes. The City Clerk indicated that the Board does not compare the approved list of bills to invoices and checks written. The City Clerk indicated invoices are attached to checks for the Mayor or Mayor Pro-Tem to review when signing checks, and supporting documentation is retained for all disbursements. However, the Mayor or Mayor Pro-Tem do not document the review of the invoices. The City Clerk indicated she obtains verbal approval from department heads for the payment of invoices and receipt of goods and/or services; however, this approval is not documented.

7.3 Disbursements - Procurement procedures and contracts

The city did not have a formal bidding policy and had not established policies for the selection of vendors providing professional services. The city did not obtain a contract for engineering services; and the wastewater treatment contract did not clearly document each party's duties and responsibilities, and did not cover services performed during some periods of time.

Recommendation

The Board of Aldermen establish formal bidding policies and procedures, periodically solicit proposals for professional services, and enter into clearly written agreements for those services.

Status

Partially Implemented

The city has not developed formal bidding procedures, but the City Clerk indicated that the Board recently solicited proposals for wastewater treatment and engineering services. However, the wastewater treatment contract did not clearly document each party's duties and responsibilities. The City Clerk indicated the city plans to enter into a written contract with the engineer after grant funds are approved and the project is started.

8.1 Budgets and Financial Reporting - Budgets

The Board did not have adequate procedures to prepare or monitor budgets.

Preparation

The city's budgets did not contain all statutorily required elements, such as a budget message or budget summary, actual beginning available resources, and estimated ending available resources. Also, city officials did not prepare budgets for the Park Board or Sewer Rehabilitation Funds, and the financial activity and balances of the certificates of deposit and annuity were not reflected in the budgets.

Monitoring

The Board did not adequately monitor budget-to-actual receipts and disbursements.

Recommendation

The Board of Aldermen prepare accurate annual budgets that contain all information required by state law, and ensure the budgets are adequately monitored.

Status

Partially Implemented

In 2019, the city combined the Park Board Fund with the General Fund and budgeted for those monies in the General Fund. However, the city's 2019 budgets do not contain all statutorily required elements. The budgets do not include a budget message or budget summary, actual beginning available resources, estimated ending available resources, and the 2 preceding years of receipts and disbursements. Budgets for the Sewer Rehabilitation Fund and the Heritage Fund were not prepared, and the financial activity of the certificates of deposit and annuity were not reflected in the budgets. During 2018, the Board monitored budget-to-actual receipts and disbursements, and we noted budget amendments were approved through resolutions.

9.1 Park Board - Board meetings

Park Board members indicated Board meetings had not been held for a considerable period of time. The Board had not adopted a policy on the frequency of Board meetings. Periodic or at a minimum, annual Board

meetings are necessary for the Board to properly fulfill its duties as required by state law and Board bylaws.

Recommendation

The Board of Aldermen in conjunction with the Park Board ensure periodic Park Board meetings are held to properly fulfill the Board's duties, including approving disbursements and adopting budgets annually as required by the Board's bylaws and state law.

Status

Partially Implemented

The Park Board held a meeting in December 2018, and a new President was appointed. However, the Park Board has not adopted a policy on the frequency of Board meetings. Park Board monies are now handled in the city's General Fund and were included in the 2019 General Fund budget. Disbursements from park monies are approved by the Board of Aldermen, but are not approved by the Park Board.

9.2 Park Board - Bylaws and agreements

The Park Board did not have current bylaws and did not operate in accordance with bylaws, city ordinance, or the operating agreement between the Board and the city. The Park Board did not update its bylaws to reflect changes made by city ordinance in 1983 and 1986, or a 1990 operating agreement with the city. The Park Board did not operate with the required number of board members and did not appoint new members in compliance with city ordinance. The Park Board did not prepare and file an annual report with the Board of Aldermen, obtain a written report from the City Clerk regarding activity and status of the Park Board Fund, or maintain a record of all business transactions. In addition the Board President did not sign all checks in accordance with the Board's bylaws. The Park Board did not review and approve disbursements in excess of $25 by a 2/3 majority, and incorrectly reimbursed the city for utilities.

Recommendation

The Board of Aldermen in conjunction with the Park Board review and update Park Board bylaws, city ordinances, and agreements periodically, and ensure compliance with the terms of the bylaws, ordinances, and agreements.

Status

Partially Implemented

The Board of Aldermen and Park Board have not updated the Park Board bylaws, and the Board of Aldermen have not updated city ordinances or agreements related to the Park Board.

Currently, the Park Board only has 3 of the required 7 members and is unable to appoint new members due to a lack of interest. The Park Board has not prepared and filed an annual report with the Board of Aldermen or maintained a record of all business transactions. The Park Board bank account was closed and the remaining monies were transferred to the General Fund bank account.

Disbursements are now handled through the city's General Fund bank account, and therefore, the Park Board President does not sign checks. The Park Board does not review and approve disbursements in excess of $25. The Park Board no longer reimburses the city for utilities.

10. Sunshine Law and Ordinances

City officials did not always ensure compliance with the Sunshine Law and city ordinances needed improvement.

10.1 Sunshine law

The Board did not always comply with the Sunshine Law regarding closed sessions.

Reasons for closed meetings — Open meeting minutes did not document the specific reasons or section of law allowing the meeting to be closed for 11 of 32 closed sessions held between January 1, 2016, and March 8, 2018.

Allowable topics — Some topics discussed and voted on in 27 of 32 closed sessions held between January 1, 2016, and March 8, 2018, were not allowable under the Sunshine Law.

Recommendation

The Board of Aldermen ensure specific reasons for closing a meeting are documented in the open minutes, and ensure only topics allowed by state law are discussed in closed Board meetings.

Status

Partially Implemented

We reviewed the open and closed meeting minutes for the December 11, 2018, meeting. While the open meeting minutes documented the section of law allowing the meeting to be closed, some of the topics discussed (e.g., a volunteer position) were not allowable under the Sunshine Law or under the specific section cited in the open meeting minutes.

10.2 Ordinances

Ordinances were not comprehensive or maintained in an organized manner; one ordinance could not be located; and the city had not always established ordinances as appropriate.

Recommendation

The Board of Aldermen ensure ordinances are maintained in a complete and well-organized manner, establish an index of all ordinances passed and rescinded, retain copies of ballots or signed ordinances for all sales taxes, and establish trash rates and the compensation of city officials and employees by ordinance.

Status

Partially Implemented

The City Clerk indicated city personnel have organized the city ordinances into 2 books, have indexed approximately 95 percent of the ordinances, and are documenting the dates ordinances are passed and rescinded. The City

Clerk indicated copies of ordinances and ballots are retained. The city adopted an ordinance for trash rates in November 2018, and an ordinance for the compensation of officials in April 2018. The city has not established the compensation of city employees by ordinance.

11. Electronic Data Security

Controls over some city computers were not sufficient to prevent unauthorized access, and sufficient plans and processes were not in place for recovering systems and data.

11.1 Passwords

The city had not established adequate password controls to reduce the risk of unauthorized access to computers and data. Some employees are not required to change passwords periodically. The City Clerk and the Utility Clerk share the same user identification and password to access the utility system, and passwords for the utility system are not required to contain a minimum number of characters.

Recommendation

The Board of Aldermen require confidential passwords for each employee that are periodically changed to prevent unauthorized access to the city's computers and data. Passwords should contain a minimum number of characters.

Status

Implemented

The City Clerk indicated passwords are required to be changed every two months, employees no longer share the same user identification and password to access the utility system, and passwords are required to have a minimum number of characters.

11.2 Security controls

Security controls were not in place to lock computers after a specified number of incorrect logon attempts or after a certain period of inactivity.

Recommendation

The Board of Aldermen require each city computer to have security controls in place to lock it after a specified number of incorrect logon attempts and after a certain period of inactivity.

Status

Partially Implemented

The City Clerk indicated city computers do not have security controls in place to lock computers after a specific number of incorrect logon attempts; however, city computers do lock after a certain period of inactivity.

11.3 Contingency plan and backup data

The city had not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. In addition, the city did not periodically test backup data to ensure essential data could be restored, and did not always store backup files at a secure off-site location.

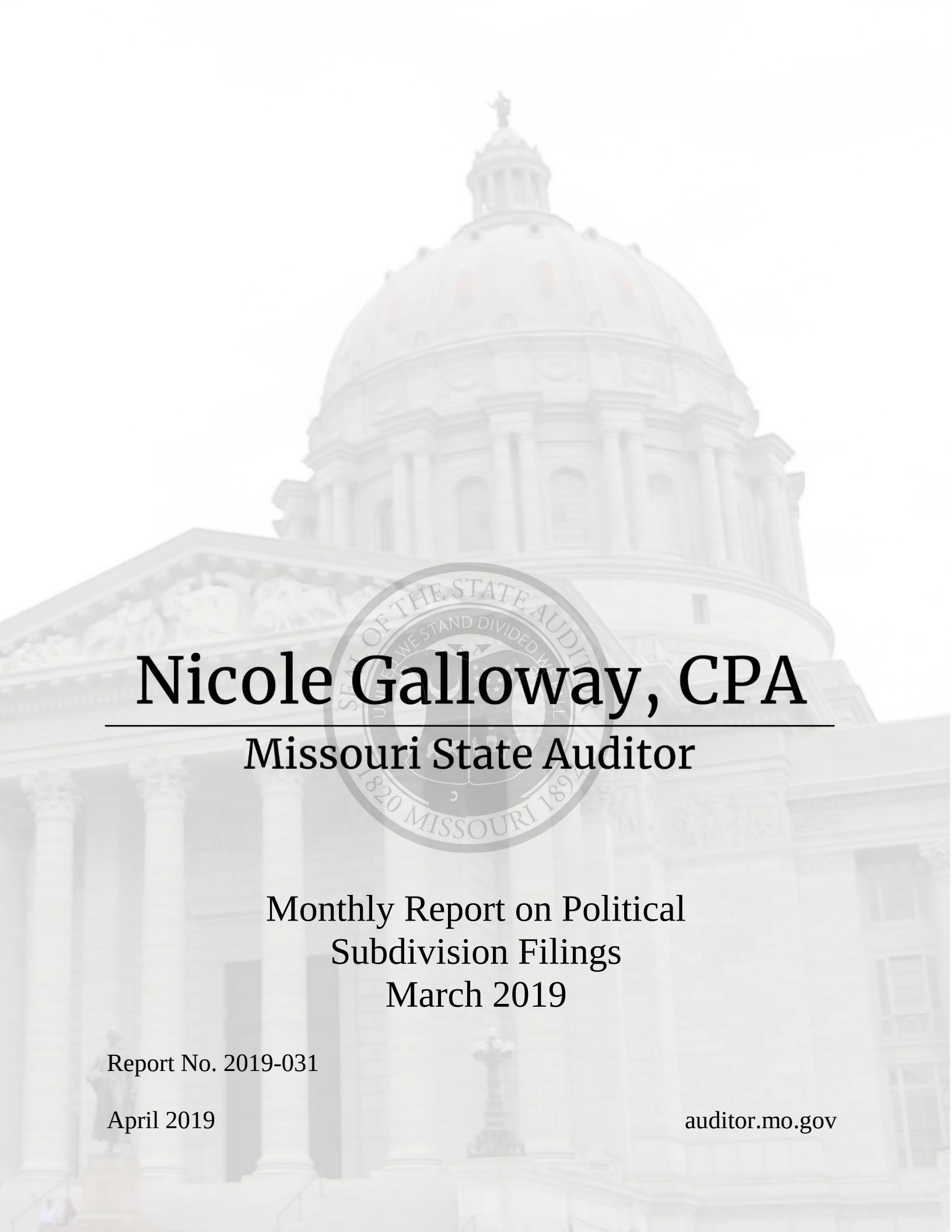
Recommendation

The Board of Aldermen develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require city personnel test restoration of backup data on a periodic basis and store backup files in a secure off-site location.

Status

Not Implemented

The City Clerk indicated a formal, written contingency plan has not been developed. City personnel do not test the restoration of backup data on a periodic basis and do not store backup files at a secure off-site location.



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings March 2019

Report No. 2019-031

April 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
March 2019
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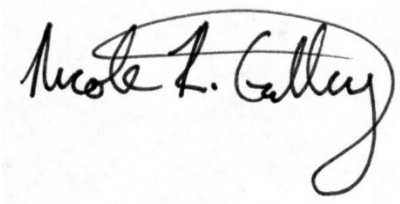
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 82 political subdivisions required to file a financial report by March 31, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in March 2019, after their filing deadline. The filing status for these 9 entities is presented in summary on page 3 and by individual entity in Appendix B-D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 82 political subdivisions, other than cities, towns, and villages, with a fiscal year end of September 30, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 82 political subdivisions, 70 filed an annual financial report timely, and 1 filed a financial report for a partial fiscal year.

This report also includes the filing status for 9 political subdivisions, other than cities, towns, and villages, that filed their financial report in March 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2019

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Ambulance District	Yes	March 29, 2019
Andrew	PWSD 4 Andrew County	Yes	February 7, 2019
Boone	Business Loop CID	Yes	November 21, 2018
	Downtown CID	Yes	November 8, 2018
Butler	Drainage District 7 Butler County	Yes	December 6, 2018
Callaway	Millersburg FPD	No	
Camden	Camdenton SRD Camden County	Yes	October 3, 2018
Carroll	Cherry Valley Levee District	Partial	May 25, 2018
Cass	211th Street CID	Yes	March 6, 2019
	PWSD 2 Cass County	Yes	December 6, 2018
	West Peculiar FPD	Yes	December 12, 2018
Chariton	PWSD 3 Chariton-Linn County	Yes	January 17, 2019
Clay	Downtown Excelsior Springs CID	Yes	March 15, 2019
	Elms Hotel CID	Yes	March 27, 2019
	North Kansas City Missouri Light Rail TDD	Yes	October 26, 2018
	PWSD 3 Clay County	No	
	PWSD 9 Clay County	Yes	February 28, 2019
	Vintage Plaza CID	Yes	October 31, 2018
Clinton	PWSD 3 Clinton County	No	
Cole	Cole Junction Levee District	Yes	October 25, 2018
Daviess	PWSD 2 Daviess County	Yes	March 18, 2019
Franklin	Phoenix Center II CID	Yes	January 30, 2019
	Sullivan Marketplace CID	Yes	November 20, 2018
	Washington FPD	Yes	December 7, 2018
Howell	PWSD 2 Howell-Oregon County	Yes	December 26, 2018
Jackson	Adams Dairy Landing CID	Yes	March 25, 2019
	Adams Farm TDD	Yes	March 6, 2019
	Central Jackson County FPD	Yes	March 29, 2019
	Coronado Drive TDD	Yes	March 6, 2019
	Fall Creek CID	No	
	Fort Osage FPD	Yes	December 17, 2018
	Little Blue Valley Sewer District	Yes	February 1, 2019
	Oaks at Woods Chapel CID	Yes	March 15, 2019
	Sunrise Farms CID	No	
	Truman's Marketplace CID	Yes	March 14, 2019
	Truman's Marketplace TDD	Yes	March 14, 2019
	White Oak CID	Yes	March 19, 2019
Jasper	Levee District 1 Jasper County	Yes	October 25, 2018
Jefferson	Antonia FPD	Yes	February 20, 2019
	Festus Public Library District	No	
	Glaize Creek Sewer District	Yes	February 28, 2019
	High Ridge FPD	Yes	November 15, 2018
	Rock Community FPD	Yes	November 16, 2018
	Truman Village CID	Yes	October 31, 2018
Lafayette	Sni Valley FPD	No	
Madison	Madison Memorial Hospital District	Yes	January 9, 2019
	PWSD 1 Madison County	Yes	February 13, 2019
Miller	Miller County NHD	Yes	February 1, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2019

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Moniteau	Mid Mo Ambulance District	Yes	January 10, 2019
Monroe	Monroe City Ambulance District	Yes	March 29, 2019
	Monroe City Area FPD	No	
	PWSD 2 Monroe County	Yes	November 7, 2018
Newton	Big Spring Plaza CID	Yes	December 7, 2018
Nodaway	Mary Mart CID	Yes	January 3, 2019
	Maryville Public Library District	Yes	March 28, 2019
Pemiscot	Consolidated PWSD 1 Pemiscot County	Yes	February 8, 2019
Phelps	Forum Plaza CID	Yes	March 29, 2019
	Move Rolla TDD	Yes	January 29, 2019
Pike	PWSD 1 Pike County	Yes	January 29, 2019
Platte	Consolidated PWSD 1 Platte County	Yes	January 23, 2019
	Farley Beverly Drainage District	Yes	February 26, 2019
Ralls	Cannon PWSD 1 Ralls County	Yes	December 20, 2018
Ray	PWSD 3 Ray County	Yes	December 18, 2018
Ripley	Doniphan-Ripley County PLD	Yes	February 5, 2019
	Ripley County Ambulance District	No	
Schuyler	Schuyler County NHD	No	
Shelby	PWSD 1 Shelby County	Yes	December 28, 2018
St. Charles	Mountain Farm CID	Yes	December 18, 2018
	Shoppes of Mid Rivers CID	Yes	March 22, 2019
	St. Peters Hotel CID	Yes	January 22, 2019
	Suemandy Drive One CID	Yes	December 26, 2018
	Suemandy Drive Two CID	Yes	December 26, 2018
	Suemandy/Mid-Rivers CID	Yes	March 29, 2019
St. Francois	GPMVLC CID	Yes	January 31, 2019
	Maple Valley Plaza CID	Yes	February 7, 2019
	Mineral Area CID	Yes	March 22, 2019
St. Louis	25 North Central CID	Yes	November 16, 2018
	Daniele CID	Yes	March 4, 2019
	St. Louis County PID 1	Yes	March 13, 2019
St. Louis City	St. Louis Public Library Districts	Yes	March 26, 2019
Washington	PWSD 2 Washington County	No	
	Washington County AD	Yes	March 21, 2019
Total Filed		70	
Total Not Filed		11	
Total Partially Filed		1	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PID	Port Improvement District
PLD	Public Library District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in March 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Pemiscot	Hayti-Ventures CID	Yes	March 11, 2019
Scott	Southeast Missouri Regional PID	Yes	March 4, 2019
St. Louis	Delmar/Delcrest CID	Yes	March 11, 2019
St. Louis City	Expanded Forsyth Associates CID	Yes	March 12, 2019
Total Filed		4	

Acronyms:

CID	Community Improvement District
PID	Port Improvement District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due January 31, 2019
Filed in March 2019

Fiscal Year Ended July 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Osage	Chamois SRD Osage County	Yes	March 19, 2019
Total Filed		1	

Acronyms:
SRD Special Road District

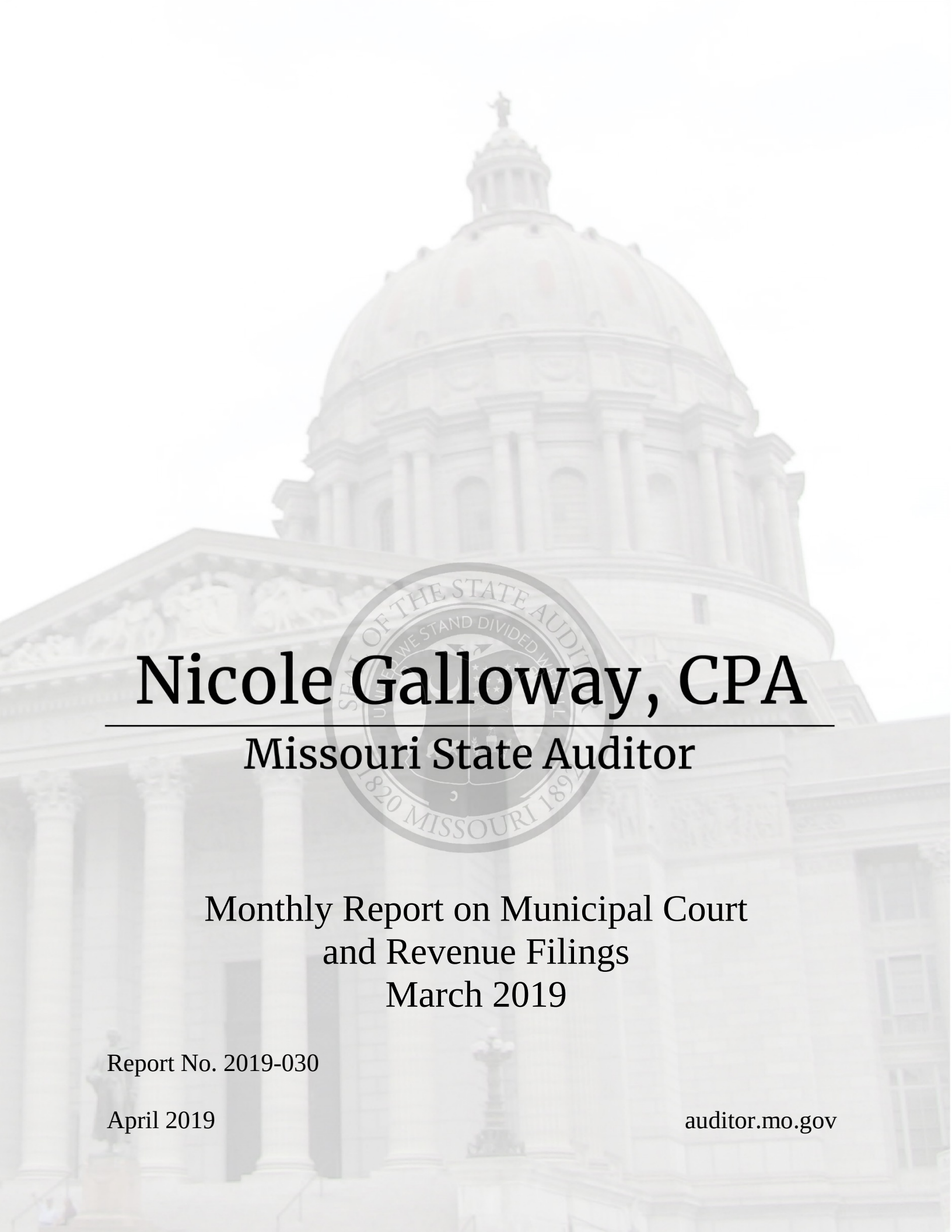
Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due February 28, 2019
Filed in March 2019

Fiscal Year Ended August 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Little Tarkio Drainage District	Yes	March 26, 2019
Knox	Knox County NHD	Yes	March 18, 2019
Lawrence	Lawrence County NHD	Yes	March 19, 2019
Stoddard	PWSD 2 Stoddard County	Yes	March 19, 2019
Total Filed		4	

Acronyms:

NHD	Nursing Home District
PWSD	Public Water Supply District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings March 2019

Report No. 2019-030

April 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
March 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

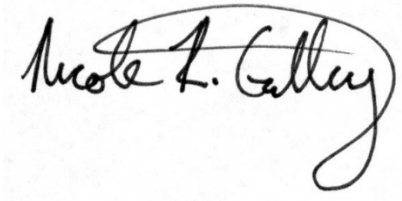
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by March 31, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 63 cities and 2 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in March 2019, after their filing deadline. The filing status for these 23 cities and 3 villages is presented in summary on pages 4 and by individual entity in Appendixes B to F.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 63 cities and 2 villages with a fiscal year end of September 30, 2018, whose financial reports, addendums, or certifications were due by March 31, 2019. Of the 65 municipalities required to file an annual financial report, 49 filed the report timely and 1 filed a financial report for a partial fiscal year. Of the 61 municipalities required to file an addendum, 32 filed an addendum timely. Of the 44 municipalities required to file a certification, 30 filed a certification timely.

This report includes the filing status for 23 cities and 3 villages that filed at least one of the items (financial report, addendum, or certification) in March 2019, after their filing deadline. Of these entities, 9 filed an annual financial report, 17 filed an addendum, and 6 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Savannah	Yes	March 22, 2019	No	n/a
Audrain	City of Farber	Yes	January 8, 2019	No	n/a
	City of Mexico	Yes	February 19, 2019	Yes	Yes
Barry	City of Exeter	Yes	October 16, 2018	Yes	Yes
Boone	City of Columbia	Yes	February 4, 2019	Yes	Yes
Camden	City of Camdenton	Yes	October 3, 2018	Yes	Yes
Cass	City of Peculiar	Yes	March 5, 2019	Yes	Yes
Cedar	City of El Dorado Springs	No		Yes	Yes
	City of Stockton	Yes	March 14, 2019	Yes	n/a
Clay	City of Excelsior Springs	Yes	March 7, 2019	No	No
	City of North Kansas City	Yes	March 11, 2019	No	No
	Village of Oakwood	Yes	September 10, 2018	n/a	n/a
Clinton	City of Cameron	Yes	March 20, 2019	Yes	Yes
Dallas	City of Buffalo	No		No	n/a
Franklin	City of Sullivan	No		Yes	Yes
	City of Washington	Yes	March 25, 2019	No	n/a
Greene	City of Strafford	Yes	January 22, 2019	Yes	Yes
Henry	City of Clinton	Yes	January 25, 2019	Yes	Yes
	City of Montrose	Yes	October 17, 2018	No	n/a
	City of Urich	No		No	n/a
	City of Windsor	No		No	n/a
Jackson	City of Blue Springs	Yes	March 19, 2019	Yes	Yes
	City of Buckner	Yes	March 29, 2019	Yes	Yes
	City of Grandview	Yes	March 20, 2019	Yes	Yes
	City of Sugar Creek	Yes	March 28, 2019	Yes	Yes
Jasper	City of Duquesne	Yes	January 15, 2019	Yes	Yes
Jefferson	City of Festus	Yes	March 25, 2019	Yes	Yes
Johnson	City of Warrensburg	Yes	March 26, 2019	Yes	Yes
Lafayette	City of Concordia	No		No	n/a
	City of Higginsville	Yes	January 15, 2019	Yes	Yes
	City of Lake Lafayette	No		No	n/a
Linn	City of Brookfield	Yes	March 29, 2019	No	n/a
	City of Purdin	Yes	October 19, 2018	n/a	n/a
Macon	City of Atlanta	No		n/a	n/a
Madison	City of Fredericktown	Yes	March 18, 2019	Yes	Yes
McDonald	City of Anderson	Yes	March 28, 2019	Yes	Yes
Moniteau	City of Tipton	Yes	January 20, 2019	Yes	n/a
Monroe	City of Monroe City	Yes	January 27, 2019	No	n/a
Newton	City of Neosho	Yes	March 21, 2019	Yes	Yes
Nodaway	City of Maryville	Yes	March 12, 2019	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Ozark	City of Gainesville	No		No	n/a
Ozark	Village of Theodosia	Yes	October 25, 2018	No	n/a
Phelps	City of Rolla	Yes	January 21, 2019	Yes	Yes
Pike	City of Bowling Green	Yes	March 4, 2019	No	No
Platte	City of Platte Woods	No		No	No
Pulaski	City of Dixon	Partial	April 17, 2018	No	No
Ray	City of Richmond	Yes	March 18, 2019	Yes	Yes
Saline	City of Marshall	Yes	February 14, 2019	No	No
Shelby	City of Hunnewell	Yes	November 19, 2018	n/a	n/a
St. Charles	City of St. Peters	Yes	March 7, 2019	Yes	Yes
	City of Weldon Spring	No		No	No
St. Clair	City of Appleton City	Yes	January 31, 2019	No	n/a
	City of Osceola	Yes	February 14, 2019	No	n/a
St. Francois	City of Bonne Terre	Yes	March 25, 2019	No	No
	City of Farmington	Yes	March 21, 2019	Yes	Yes
	City of Park Hills	No		No	No
St. Louis	City of Clayton	Yes	March 28, 2019	Yes	No
	City of Cool Valley	No		No	No
	City of Greendale	No		No	Yes
	City of Normandy	Yes	March 6, 2019	No	Yes
	City of Pagedale	Yes	March 29, 2019	Yes	Yes
Ste. Genevieve	City of St. Mary	Yes	February 4, 2019	Yes	Yes
	City of Ste. Genevieve	Yes	January 16, 2019	Yes	No
Stoddard	City of Advance	No		No	No
Stone	City of Branson West	Yes	March 21, 2019	No	No
Total Filed		49		32	30
Total Not Filed		15		29	14
Total Partially Filed		1		0	0
Total n/a		0		4	21

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018
Filed in March 2019

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Bates	City of Butler	**	September 14, 2018	Yes	n/a
Scott	City of Chaffee	***	October 23, 2018	***	Yes
Total Filed		0		1	1

** Filed by September 30, 2018.

*** Filed after September 30, 2018, but before March 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in March 2019

Fiscal Year Ended April 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
New Madrid	City of Portageville	**	September 13, 2018	Yes	**
Total Filed		0		1	0

** Filed by October 31, 2018.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2018
Filed in March 2019

Fiscal Year Ended May 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Nodaway	City of Ravenwood	**	August 13, 2018	Yes	n/a
Total Filed		0		1	0

** Filed by November 30, 2018.

n/a Entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in March 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Creighton	**	December 26, 2018	Yes	n/a
Clinton	City of Plattsburg	**	October 17, 2018	Yes	Yes
Crawford	City of Steelville	Yes	March 29, 2019	No	n/a
Dade	City of Greenfield	**	September 19, 2018	Yes	No
Daviess	Village of Altamont	***	February 17, 2019	Yes	n/a
DeKalb	City of Maysville	***	January 24, 2019	Yes	n/a
Greene	City of Ash Grove	**	November 6, 2018	Yes	Yes
Holt	City of Mound City	**	December 28, 2018	Yes	n/a
Jackson	City of Lake Tapawingo	**	December 28, 2018	Yes	n/a
Jefferson	City of Hillsboro	Yes	March 12, 2019	***	***
Monroe	City of Madison	Yes	March 18, 2019	No	n/a
Montgomery	City of Middletown	***	February 5, 2019	Yes	n/a
Nodaway	City of Skidmore	Yes	March 18, 2019	No	n/a
Pettis	City of Green Ridge	**	September 30, 2018	Yes	No
Phelps	City of Doolittle	Yes	March 7, 2019	No	n/a
Pulaski	City of Crocker	**	November 14, 2018	***	Yes
Shelby	City of Shelbina	Yes	March 11, 2019	Yes	n/a
St. Francois	City of Bismarck	**	November 14, 2018	Yes	Yes
St. Louis	Village of Hanley Hills	**	December 7, 2018	Yes	**
Total Filed		6		13	4

** Filed by December 31, 2018.

*** Filed after December 31, 2018, but before March 2019.

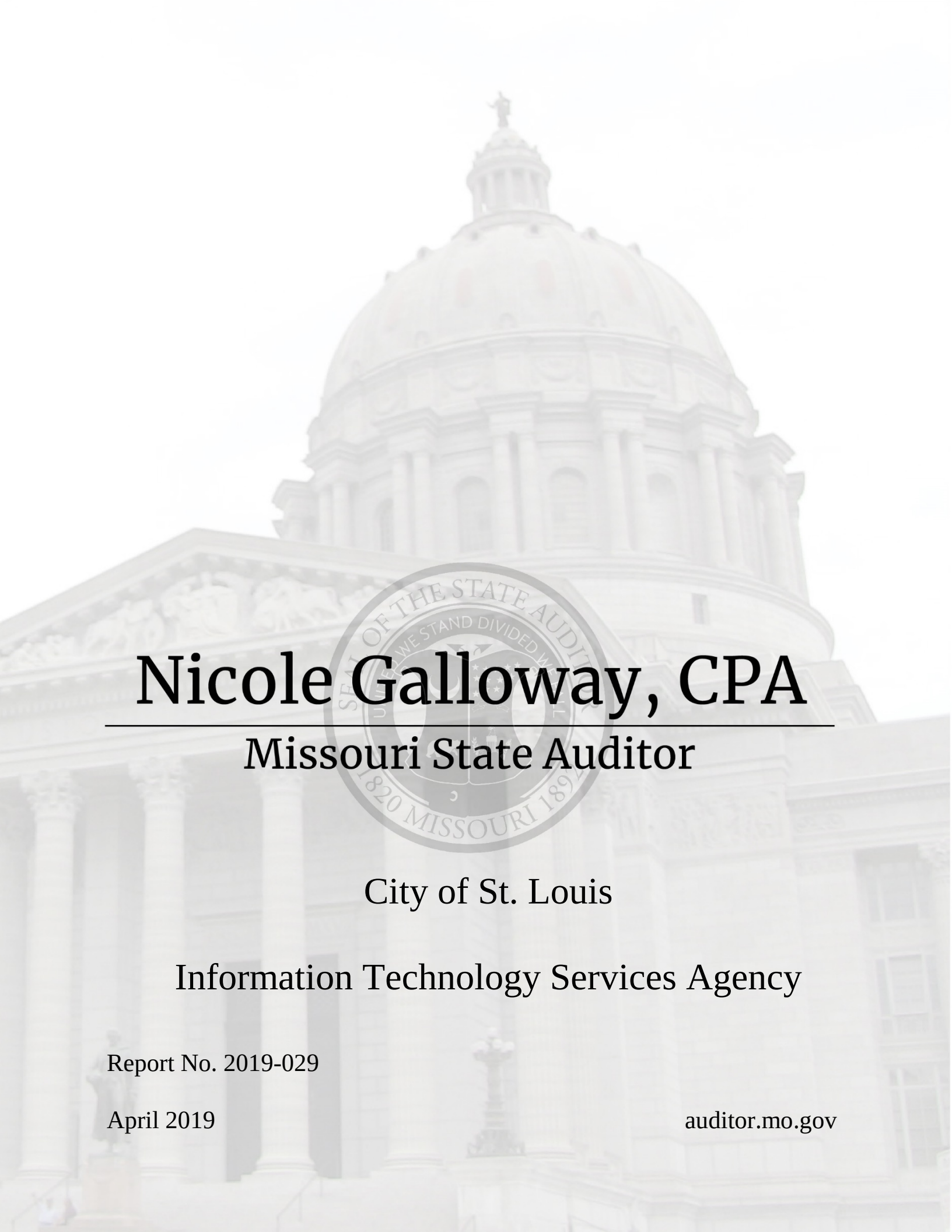
n/a Entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 28, 2019
Filed in March 2019

Fiscal Year Ended August 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Scott	City of Miner	Yes	March 19, 2019	Yes	Yes
St. Louis	Village of Pasadena Park	Yes	March 18, 2019	No	**
Taney	City of Forsyth	Yes	March 4, 2019	No	No
Total Filed		3		1	1

** Filed by February 28, 2019.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Information Technology Services Agency

Report No. 2019-029

April 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of St. Louis - Information Technology Services Agency

Security Controls	The ITSA has not implemented all necessary security controls, leaving ITSA technology assets at risk of inappropriate access, use, and disclosure. The ITSA has not fully established or documented the physical security policies and procedures necessary to ensure areas housing information technology resources are properly controlled, monitored, and restricted to only authorized individuals. The ITSA has not established internal policies and procedures to inventory certain ITSA-owned technology assets.
Vendor Security	The ITSA has not consistently ensured contracts for software acquired or outsourced from information technology vendors contain security requirements, or reviewed the security practices used by vendors.
Information System Control Activities	The ITSA needs to improve certain information system control activities.

No rating will be given.

City of St. Louis - Information Technology Services Agency
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Chief Information Officer
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Information Technology Services Agency (ITSA) in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2018. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the agency's internal controls over significant management operations and financial functions.

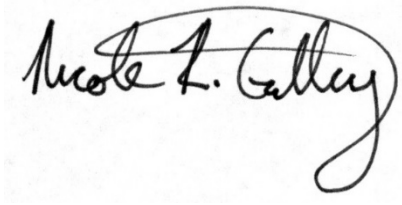
2. Evaluate the agency's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis ITSA. Our audit also found the ITSA needs to improve certain information system control activities. We are not disclosing details of these issues in this report because of the sensitivity of the activities and to avoid compromising the confidentiality of the ITSA's resources. Instead, we communicated the issues confidentially to City of St. Louis and ITSA officials so they could take corrective action.

Additional audits of various officials and departments of the City of St. Louis are still in process, and any additional findings and recommendations will be included in subsequent reports.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Jeffrey Thelen, CPA, CISA
In-Charge Auditor:	Alex R. Prenger, M.S.Acct., CPA, CISA, CGAP
Audit Staff:	Kent Aaron Dauderman, M.Acct., CPA, CGAP

City of St. Louis - Information Technology Services Agency Introduction

Background

The Information Technology Services Agency (ITSA) was established in 2003 under ordinance 65798, and is responsible for the planning, development, coordination and implementation of timely, reliable, cost-effective technology and information services for use by city government and city employees, citizens, and businesses. Duties include hardware, software and web support; network and server maintenance and security; and user account management for the network and certain information systems and applications.

The ITSA's role within the city's governance structure, and its overall service to all city employees, place the agency in the most direct position to guide citywide information security efforts. Weaknesses in those efforts are due in part to long-term challenges the ITSA has faced, and/or continues to face.

Director oversight

The ITSA's current director, who also serves as the city's Chief Information Officer, was appointed in December 2017. Prior to this appointment, the director position was vacant for 9 years. During this period, other city personnel were partially assigned to guide the ITSA, including one part-time director. However, their guidance was limited due to pre-existing duties and responsibilities. As a result, the ITSA lacked clear, dedicated direction in matters of information security policies and procedures.

The prolonged vacancy of a dedicated ITSA director also generally weakened communication between the ITSA and city departments. This issue resulted in situations when departments did not preemptively communicate with the ITSA before making major technology-related decisions and purchases.

Competing priorities

Prior to and following the current director's appointment, the ITSA faced other priorities requiring substantial attention and resources. These priorities included improving the city network resiliency, implementing information systems and applications for departments' use, creating and administering requests for proposal related to major technology projects, and designing other general security enhancements and controls. Certain tasks remained in progress as of January 2019.

Administrative relationship with departments

The city's organizational structure, and related factors presented below, cause the ITSA's administrative role to vary significantly by individual department.

- The ITSA and many departments are structured under and report to the Mayor's office. The ITSA's administration over such departments is often strong. Other departments are organized under standalone elected officials. The ITSA's administration over such departments is often weaker and less defined.

- The ITSA and certain departments operate under civil service rules administered by the Civil Service Commission and Department of

Personnel. Other departments, typically those under standalone elected officials, are considered patronage departments. This affects certain aspects regarding broad ITSA policy distribution, enforcement, and discipline.

- Certain departments feature dedicated information technology personnel. While the ITSA communicates with these personnel, the departments often have greater autonomy to fulfill their unique technology needs.

- The ITSA does not directly administrate all forms of access to city networks, information systems, and applications. Certain instances are directly administrated by departmental personnel.

Of these challenges, the city's organizational structure will remain the most significant in the long term. A restructure of all departments' general information technology needs under the ITSA is beyond the scope of this audit. However, promoting communication and collaboration between the ITSA and departments, to the maximum degree feasible, will be critical towards the ITSA's efforts to establish information security policies and procedures in an increasingly consistent and effective manner.

Cyber threats continue to emerge and evolve

As connectivity of business activity increases and organizations become increasingly dependent on technology, including computerized systems and electronic data, no organization is exempt from cyber threats, vulnerabilities, and privacy exposures. As a result, it is important to view information security and privacy as a business issue rather than strictly an information technology issue. Security threats, vulnerabilities, and privacy exposures challenge every organization, creating data protection and privacy risks that must be understood, addressed, and managed.

The National Institute of Standards and Technology (NIST) defines cybersecurity as the process of protecting information by preventing, detecting, and responding to attacks[1] while ISACA states cybersecurity encompasses all that protects enterprises and individuals from intentional attacks, breaches, and incidents as well as the consequences.[2] Cybersecurity should be aligned with all other aspects of information security, including governance, management, and assurance. The state of being secure requires maintenance and continuous improvement to meet the needs of stakeholders and the demands of emerging cyber threats.

[1] National Institute of Standards and Technology, *Framework for Improving Critical Infrastructure Cybersecurity*, Version 1.1, April 2018, is available at <https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf>, page 45, accessed February 11, 2019.

[2] ISACA, *Transforming Cybersecurity*, 2013, page 11.

The Government Accountability Office (GAO) has included the security of information systems since 1997, specifically adding the protection of Personally Identifiable Information (PII) in its 2015 update.[3] Technological advances, such as lower data storage costs and increasing interconnectivity, have allowed both government and private sector agencies to collect and process extensive amounts of PII more effectively. Risks to PII can originate from unintentional and intentional threats. These risks include insider threats from careless, disgruntled, or improperly trained employees and contractors; the ease of obtaining and using hacking tools; and the emergence of more destructive attacks and data thefts.

Technology advances, combined with the increasing sophistication of individuals or groups with malicious intent, have increased the risk of PII being compromised and exposed. Correspondingly, the number of reported security incidents involving PII in both the private and public sectors has increased dramatically in recent years. At the same time, city governments are increasingly reliant on technology and information sharing to interact with citizens and to deliver essential services. As a result, the need to protect information, including PII, against cybersecurity attacks is increasingly important.

Security and privacy controls

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information. Effective privacy controls depend on the safeguards employed within the information system that is processing, storing, and transmitting PII and the environment in which the system operates. Organizations cannot have effective privacy without a basic foundation of information security. Without proper safeguards and controls, information systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

Scope and Methodology

The scope of our audit included evaluating (1) information security and other relevant controls, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the year ended June 30, 2018.

[3] Report GAO-17-157SP *Report to Congressional Committees, High Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, March 2019, is available at <http://www.gao.gov/assets/700/697245.pdf>, accessed March 12, 2019

Our methodology included reviewing written policies and procedures, and interviewing various ITSA personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to these provisions.

We based our evaluation on accepted state, federal, and international standards and best practices related to information security controls from the following sources:

- National Institute of Standards and Technology (NIST)
- U. S. Government Accountability Office (GAO)
- ISACA

1. Security Controls

The ITSA has not implemented all necessary security controls, leaving ITSA technology assets at risk of inappropriate access, use, and disclosure.

1.1 Physical security

The ITSA has not fully established or documented the physical security policies and procedures necessary to ensure areas housing information technology resources are properly controlled, monitored, and restricted to only authorized individuals.

Physical security is the protection of technology resources, including computers and network servers, from theft or damage. Physical security makes technology resources physically unavailable to unauthorized users and can include locked rooms and cabinets, periodic inventories of technology assets, and other measures to protect assets from unauthorized access.

Physical security controls should be designed to prevent vandalism and sabotage, theft, accidental or deliberate alteration or destruction of information or property, attacks on personnel, and unauthorized access to computing resources, according to the GAO. Inadequate physical security could lead to the loss of property, the disruption of service and functions, and the unauthorized disclosure of data and information.

User access policies and procedures

The ITSA has not established policies and procedures for requesting, granting, and removing physical access to areas housing sensitive information technology resources.

Management should define and implement procedures to grant, limit and revoke access to premises, buildings, and areas according to business needs, including emergencies, according to accepted standards. Without appropriate procedures to grant and remove access to sensitive areas, individuals may receive inappropriate or unauthorized access.

Review of user access

The ITSA has not established procedures for independently reviewing physical access to sensitive information technology resources to ensure access rights are necessary to perform job responsibilities.

We reviewed system-generated reports of users with access to an area housing sensitive information technology resources. ITSA officials had not formally reviewed this area's access because they did not consider it high risk, access was limited to ITSA personnel, and no previous incidents of unauthorized access had occurred. However, our review found access was unnecessarily enabled for several current ITSA employees with incompatible duties, three previous ITSA employees who retired or resigned during 2017 and 2018, and one current city employee who was affiliated with the ITSA until early 2017. Following our review, ITSA officials indicated access would be appropriately restricted.

Agencies should periodically review the physical access granted to computer facilities and resources to ensure the access continues to be appropriate, according to the GAO. Without a formal documented review, physical access may be granted to or maintained for individuals who should not have access.

During our review, we also observed that one individual is responsible for activating and deactivating access, as well as handling blank, damaged, and returned access cards. To ensure integrity, periodic reviews should be independently completed by a separate individual.

1.2 Inventory

The ITSA has not established internal policies and procedures to inventory certain ITSA-owned technology assets. As a result, there is increased risk that the loss, theft, or misuse of such assets may go undetected.

All city departments are required to inventory assets costing at least $5,000 to comply with Fixed Asset Management System (FAMS) policies and procedures established by the Comptroller's office. However, additional ITSA internal policies and procedures are needed to protect assets not covered by FAMS policies. Certain ITSA technology assets below the threshold, such as computers, laptops, and storage media, should be inventoried due to their portability, and potential misuse or data loss. Inventory records should be maintained on a perpetual basis, and include sufficient asset descriptions. Assets should be tagged to improve ITSA ownership identification and tracking. The ITSA should conduct periodic reconciliations and physical inventories.

Internal inventorying of certain ITSA assets costing $5,000 or more may also be beneficial if more stringent or longer-term control is desired than existing FAMS requirements. A Comptroller's office internal audit report issued in October 2018, found that ITSA assets costing $5,000 or greater were not always included in FAMS asset listings.

Recommendations

The ITSA:

1.1 Establish and document physical access policies and procedures, ensure access to sensitive technology assets is necessary with job responsibilities, implement independent periodic reviews of access, and timely remove unnecessary access.

1.2 Determine, through a risk assessment, which owned technology assets require protection; establish internal policies and procedures to inventory such assets; and conduct periodic reconciliations and physical inventories.

Auditee's Response

1.1 The ITSA concurs our physical access policy was not fully documented. We now have a complete written policy in place that

addresses both who should have access and how that access will be managed to ensure passes are deactivated promptly when necessary. The ITSA recently relocated some of the infrastructure that was located in the data center. We have now removed access from all personnel who no longer have reason to access the data center. Badges turned in by former employees have also been removed from the list of persons with access (Note: badges had been retrieved, but the roster did not reflect that fact).

1.2 The ITSA concurs that we own assets (i.e., assets purchased by and issued to ITSA staff) that warrant better inventory control. The ITSA is now putting in place, through use of the asset management tool within our service ticketing system, procedures for tracking all items deemed to require stringent controls (regardless of the dollar value of the item). Procedures for tracking these assets are expected to be in place within the next 6 months.

2. Vendor Security

The ITSA has not consistently ensured contracts for software acquired or outsourced from information technology vendors contain security requirements, or reviewed the security practices used by vendors.

The ITSA utilizes software products from a number of vendors to manage various city functions, including data backup and support services. Generally, the ITSA pays an annual licensing/maintenance fee for these products. Depending on the arrangement, some products are installed on city-owned equipment and maintained by ITSA personnel (with additional support from the vendor), while others are hosted and maintained directly by the vendor. In this case, city personnel access the system remotely, typically via a secure website.

We reviewed contracts for three systems or software products used by the city. Only one contract had a clause stating the vendor would provide appropriate security functionality for the city, as well as general descriptions of its security practices. In addition, the ITSA had not asked any vendors to provide documentation that their product's security functionality met generally accepted industry standards.

Accepted standards require organizations to identify and manage risk relating to a vendor's ability to securely deliver services; and when preparing contracts, to clearly define service requirements, including security and protection of intellectual property. Further security insight can be obtained by requesting independent reviews of vendor internal practices and controls, and/or reviewing vendor-supplied descriptions of security practices. Without consistently defining security requirements or assessing vendor security practices, the ITSA has less assurance in a vendor's ability to ensure services meet current and future data privacy and security needs.

Recommendation

The ITSA consistently ensure that vendor contracts contain security requirements, and review vendor security practices.

Auditee's Response

The ITSA agrees to the importance of ensuring vendor contracts contain security requirements and the need to review vendor security practices. We do wish to point out the ITSA oversees very few contracts that involve vendors having access to our data. Vendors who do have access to our data are well-known for meeting, if not setting, industry standards. Terms and conditions provided by these vendors, while not part of a specific agreement with the city, do attest to the vendors' security protocols. The ITSA in consult with our City Counselor's office, will immediately begin putting language into vendor contracts that more explicitly states what security requirements the vendor must meet and maintain, as well as explicitly states the city's right to review vendor security practices.

3. Information System Control Activities

The audit found the ITSA needs to improve certain information system control activities.

We are not disclosing details of these issues in this report because of the sensitivity of the activities and to avoid compromising the confidentiality of the ITSA's resources. Under Section 610.021.21, RSMo, a governmental body is authorized to close records to the extent the records identify and would allow unauthorized access or unlawful disruption of its computer, computer system, computer network, or telecommunications network.

During the audit, we communicated the issues and recommendations confidentially to City of St. Louis and ITSA officials so they could take corrective action.

Recommendation

The ITSA should implement the confidentially communicated recommendations for improving information system control activities.

Auditee's Response

The ITSA has already begun implementing and documenting the confidentially communicated recommendations.

NICOLE GALLOWAY, CPA
Missouri State Auditor

April 16, 2019

William Baird, Chairman and Executive Director
and
Board of Directors
Southwest I-470 Transportation Development District
Lee's Summit, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district (TDD) prior to the question of abolishment being submitted to a vote. On January 7, 2019, the Board of Directors of the Southwest I-470 TDD notified the State Auditor of the intent to dissolve the district and requested an audit as required by statute. Because the TDD had no financial activity, an audit was not performed.

The scope of our review included, but was not necessarily limited to, the year ended June 30, 2018, and the period from July 1, 2018, through January 31, 2019. The objectives of our review were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing a financial disclosure filed with the State Auditor's office indicating no financial activity had occurred and other pertinent documents, interviewing legal counsel of the TDD, and obtaining a signed statement from the Board Chairman indicating no financial activity occurred.

The TDD is located in the City of Lee's Summit. The TDD was organized in December 2016 by petition of the City of Lee's Summit, pursuant to Section 238.207.5, RSMo. The Board of Directors and officers include the presiding officer of each affected local transportation authority and a representative designated by the governing body of each affected local transportation authority. The TDD was formed for the purpose of constructing transportation projects and adopted a fiscal year end of June 30. Our review determined the TDD (1) Board of Directors never imposed a TDD sales tax, (2) did not establish a bank account, (3) did not receive any monies or incur any expenditures, and (4) has no outstanding liabilities.

Based on our review, we determined the Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo.

Sincerely,

Nicole Galloway, CPA
State Auditor

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Thirty-Seventh Judicial Circuit
City of Winona Municipal Division

Report No. 2019-027

April 2019

auditor.mo.gov

Thirty-Seventh Judicial Circuit
City of Winona Municipal Division
Follow-Up Report on Audit Findings - Table of Contents

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*Includes selected findings

NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Thirty-Seventh Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Winona, Missouri

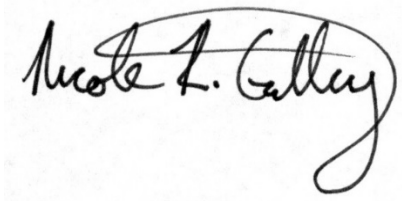
We have conducted follow-up work on certain audit report findings contained in Report No. 2018-028, *Thirty-Seventh Judicial Circuit, City of Winona Municipal Division* (rated as Poor), issued in May 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the municipal division about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by municipal division and city officials and held discussions with officials to verify the status of implementation for the recommendations. Documentation provided by the officials included receipt and disbursement records, electronic case files, monthly reports, and various other financial records. This report is a summary of the results of this follow-up work, which was substantially completed during February and March 2019.



Nicole R. Galloway, CPA
State Auditor

Thirty-Seventh Judicial Circuit
City of Winona Municipal Division
Follow-Up Report on Audit Findings - Status of Findings

1.1 Accounting Controls and Procedures - Segregation of duties and oversight

The municipal division had not adequately segregated accounting and record-keeping duties, and neither the Municipal Judge nor city personnel performed supervisory or independent reviews of accounting and bank records.

Recommendation

The City of Winona Municipal Division segregate accounting duties or ensure documented independent or supervisory reviews of municipal division accounting and bank records are periodically performed.

Status

In Progress

The Court Clerk indicated she now prepares monthly bank reconciliations. The City Clerk indicated she compares receipts to deposits at the time she records court activity in the city's accounting system. However, she does not document this review, but indicated she would immediately start documenting her review. The Mayor reviews the bank statements and bank reconciliation reports and documents his review. We reviewed the December 2018 bank statements and bank reconciliation reports and saw documentation of the Mayor's review on these documents. The Mayor also indicated the city plans to close the municipal division in the near future.

1.2 Accounting Controls and Procedures - Receipting, recording, depositing, and transmitting

The municipal division did not have adequate receipting, recording, and depositing procedures in place. In addition, the police department had not established adequate transmitting procedures.

- The Court Clerk and Assistant Court Clerk did not issue manual receipt slips for all monies received, and as a result, a complete record of monies received was not maintained. Some monies were also not recorded in the case management system that related to case activity and should have been recorded.
- The Court Clerk did not account for the numerical sequence of manual receipt slips and did not reconcile manual receipt slips issued to receipts recorded in the case management system to ensure all monies were accounted for properly.
- The Court Clerk did not deposit receipts timely.
- Transmittals from the police department to the municipal division were not documented, and a reconciliation of receipt slips issued by the police department to monies transmitted to the municipal division was not performed.

Recommendation

The City of Winona Municipal Division ensure receipt slips are issued for all monies received, account for the numerical sequence of receipt slips,

reconcile manual receipt slips issued to the case management system, and deposit receipts timely. The Municipal Division should also work with the police department to document the transmittal of receipts to the municipal division and reconcile police department receipt slips to the transmittals.

Status

Implemented

Our review of December 2018 financial activity showed manual receipt slips were issued for all monies received, the numerical sequence of receipt slips was accounted for, and manual receipt slips were reconciled to the case management system. Monies received were deposited timely. Monies are no longer collected at the police department.

1.3 Accounting Controls and Procedures - Bank reconciliations and liabilities

The city and municipal division's procedures regarding bank reconciliations and liabilities needed improvement.

New bank account

The City Clerk did not prepare accurate bank reconciliations and did not work with the Court Clerk to prepare a list of liabilities for comparison to the reconciled bank balance. Deposits in transit were not included in the bank reconciliations, and as a result, the reconciled bank balances were inaccurate. In addition, we prepared a list of liabilities for this account which differed from the reconciled bank balance by $2,806. The difference was caused by various accounting errors and disbursements made from this account when the corresponding receipts were deposited into the old bank account and not transferred to the new account.

Old bank account

The City Clerk discontinued depositing court collections into the old municipal division bank account in October 2017. However, the old account remained open and had a reconciled bank balance at December 31, 2017, of $5,249. We prepared a list of liabilities as of December 31, 2017, and the list totaled $2,622 (amount owed to the new municipal division bank account), which resulted in $2,627 in the account that remained unidentified.

Recommendation

The City of Winona Municipal Division work with the city to prepare complete and accurate bank reconciliations, prepare and reconcile lists of liabilities monthly to the reconciled bank balances, and promptly investigate any differences. The Municipal Division should also work with the city to investigate unidentified balances in the old bank account, dispose of unclaimed and unidentified monies in accordance with state law, and close the account.

Status

In Progress

The City Clerk indicated bank reconciliations are prepared timely, the only amounts left in the bank accounts are unidentified, and therefore, a list of liabilities is not necessary. Our review of the December 2018 bank reconciliations indicated the new bank account had an unidentified balance of $52 and the old bank account had an unidentified balance of $728. The City Clerk indicated she is working with the Municipal Judge and City Attorney to determine the disposition of the remaining $780.

1.4 Accounting Controls and Procedures - Bonds

Police department personnel issued generic unnumbered bond forms, did not maintain a log of bonds received, and did not always issue prenumbered receipt slips for bonds received.

Recommendation

The City of Winona Municipal Division work with the police department to ensure official prenumbered bond forms are issued, the numerical sequence of all bond forms is accounted for, a bond log is maintained to record all bonds received, and bond receipts are recorded and transmitted timely to the municipal division.

Status

Implemented

The police department no longer collects bond monies.

2.1 Municipal Division Procedures - Case dispositions

The Municipal Judge did not always approve the final disposition of cases brought before the court or the fines handled through the Violation Bureau. Additionally, the Municipal Judge's approval of amended and dismissed tickets was not always properly documented.

Completed manual case docket sheets were not always signed by the Municipal Judge, and the Court Clerk did not print the final docket that documented the case activity recorded in the system for the Municipal Judge's review and approval. In addition, some amended tickets were approved using the Municipal Judge's signature stamp without subsequent approval.

Recommendation

The City of Winona Municipal Division ensure the Municipal Judge signs all court dockets and reviews and approves all amended and dismissed tickets.

Status

Not Implemented

The Municipal Judge did not document his review and approval on court dockets of the final disposition for 3 of 5 cases reviewed that were disposed of in December 2018. In addition, one of these 3 cases involved an amended ticket that was approved using the Municipal Judge's signature stamp without subsequent approval. The Court Clerk does not print the final docket that documents the case activity recorded in the system for the Municipal Judge's review and approval. Also, our review of another ticket that was dismissed

showed the use of the Municipal Judge's signature stamp without subsequent approval.

2.2 Municipal Division Procedures - Signature stamp

Court clerks authorized to use the signature stamp did not initial to indicate use and there was no independent review of the documents stamped.

Recommendation

The City of Winona Municipal Division establish procedures to adequately secure and control the use of the Municipal Judge's signature stamp, including requiring the user to initial the stamp and a subsequent review and approval of stamped documents.

Status

Partially Implemented

The Court Clerk indicated the Municipal Judge's signature stamp is rarely used. Our review of 2 case files for which the Municipal Judge's signature stamp was used on documents showed the Court Clerk initialed next to the use of the stamp. However, a subsequent review and approval of the stamped documents was not documented by the Municipal Judge.

2.3 Municipal Division Procedures - Municipal division records

Municipal division case records were not maintained in an accurate and complete manner. We noted instances in which the information between the manual and electronic records did not always agree. In addition, the sentencing for each case was not always documented on the manual case docket sheet when multiple cases for a single defendant were brought before the court at the same time.

Recommendation

The City of Winona Municipal Division ensure the proper disposition of cases is documented in manual and electronic records and sufficient documentation is maintained to support all case actions.

Status

Implemented

During our review of 5 cases disposed of in December 2018, we noted the information between the manual and electronic reports agreed. In addition, during our review of manual case docket sheets associated with multiple cases for a single defendant, we noted the sentencing for each case was accurately documented.

2.4 Municipal Division Procedures - Ticket accountability

The police department and the municipal division did not work together to ensure the numerical sequence and ultimate disposition of all tickets issued were accounted for properly. There were no procedures to account for the numerical sequence of all tickets issued, ensure the transmittal of all issued tickets to the municipal division, or document each ticket's disposition. In addition, no formal listing of voided tickets was retained. Also, a ticket was issued to a member of the Court Clerk's family; however, this ticket could not

be located at the municipal division and there was no documentation showing the Court Clerk entered the ticket into the municipal division's case management system for processing.

Recommendation

The City of Winona Municipal Division work with the police department to ensure the numerical sequence and ultimate disposition of all tickets (including voided tickets) are accounted for properly.

Status

Not Implemented

The police department and the municipal division have not implemented procedures to account for the numerical sequence of tickets issued, ensured the transmittal of all issued tickets to the municipal division, or documented the disposition of each ticket.

3. Excess Revenues

The city did not have adequate support for its 2016 excess revenues calculation. The amounts reported by the city as general operating revenues were significantly overstated, which resulted in no excess revenues owed to the Department of Revenue (DOR). However, our calculations resulted in excess revenues of at least $21,987 owed to the DOR.

Our review of the minor traffic violation report used in the excess revenue calculation identified a large difference between total court revenues and court revenues from minor traffic violations. A significant amount of the difference could not readily be explained and some municipal ordinance violations were not included in the minor traffic violation report; therefore, the minor traffic violation report generated might not have been accurate and complete.

Recommendation

The City of Winona Municipal Division ensure the minor traffic violation report included municipal ordinance violations, work with the City of Winona Board of Aldermen to recalculate excess revenues for the year ended December 31, 2016, and make payment to the DOR. Adequate documentation of all calculations should be maintained.

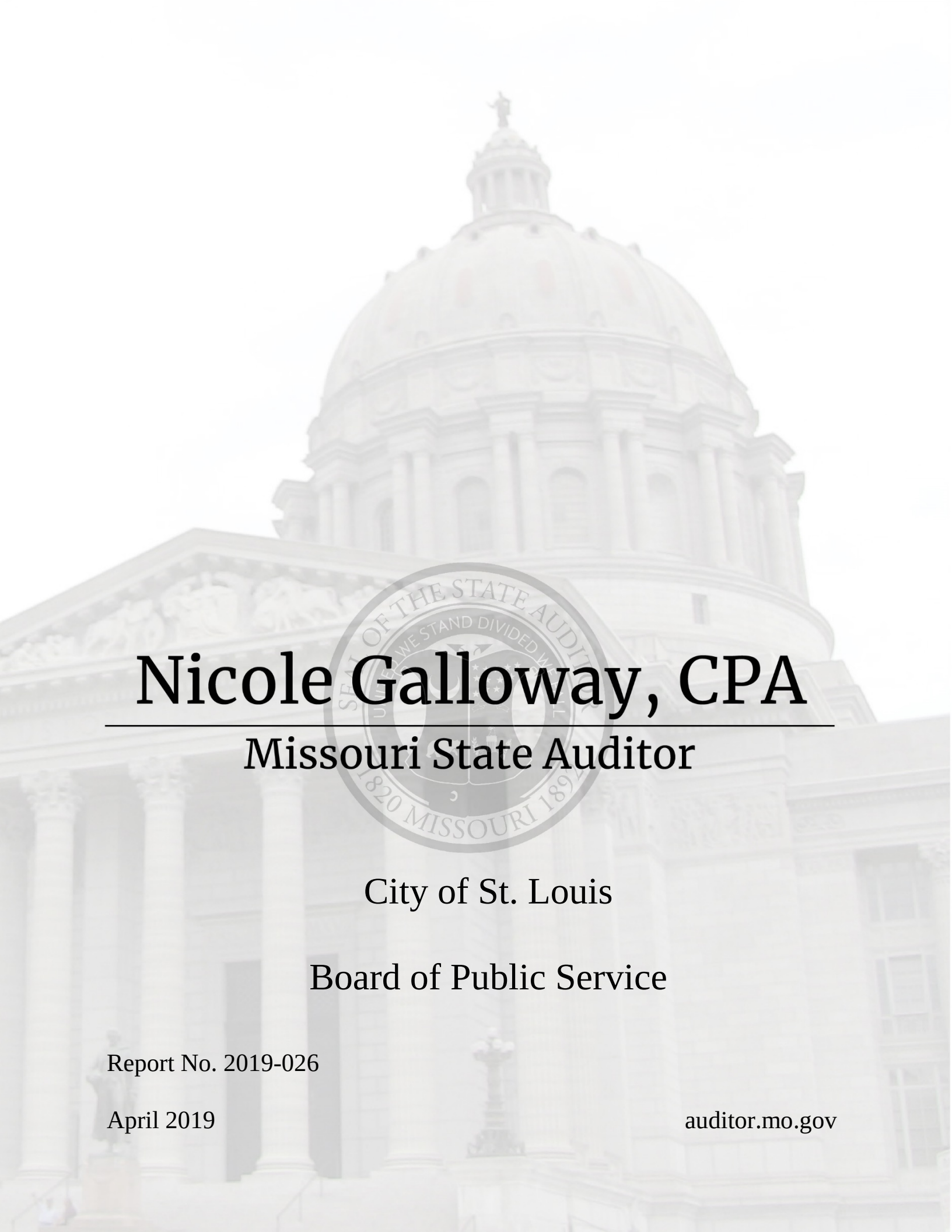
Status

Partially Implemented

The City Clerk indicated minor traffic violations are now coded properly into the case management system, and a report of minor traffic violations is generated and reviewed for accuracy. The City Clerk recalculated excess revenues for the year ended December 31, 2016, which indicated $21,995 was due to the DOR. However, the city has not made any payments to the DOR. The Board indicated it has no plans to make payment until after the criminal proceedings involving the former City Clerk are finalized.

The City Clerk also calculated $26,049 in excess revenues was due to the DOR for the year ended December 31, 2017. The city paid this amount to the

DOR on August 9, 2018. In addition, the City Clerk calculated $10,394 in excess revenues was due to the DOR for the year ended December 31, 2018. The Board indicated it plans to pay this to the DOR in April 2019. Documentation of the excess revenue calculations was maintained by the city.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Board of Public Service

Report No. 2019-026

April 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of St. Louis - Board of Public Service

Invoicing and Fuel Reconciliation	The Board of Public Service's Equipment Services Division's (ESD) lack of review procedures for fuel invoices allowed system errors to go undetected and, as a result, some ESD fuel costs did not get invoiced. In addition, the ESD has not established procedures to ensure payments for amounts billed are collected. Improvement is needed in the monitoring and preparation of fuel reconciliations.
Inventory Procedures	The ESD has not adequately segregated inventory duties or ensured there is a documented supervisory or independent review of daily inventory counts performed by parts room personnel. The ESD has not established formal controls and procedures to reconcile and document the daily and semi-annual parts inventory counts performed or to monitor and investigate inventory variances at each garage.
Vehicle Assignment Report	The ESD did not attempt to prepare the annual vehicle assignment report for fiscal year ended June 30, 2018, and the fiscal year ended June 30, 2017, report was incomplete.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
President of the Board of Public Service
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Board of Public Service in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2018. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not limited to the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the Board's internal controls over significant management and financial functions.

2. Evaluate the Board's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

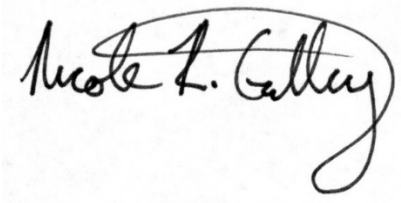
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Board, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Board of Public Service.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Chris Vetter, CPA, CGAP
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Morgan Alexander
	Rachel Cline, M.S. Acct.
	Matt Brown

1. Invoicing and Fuel Reconciliation

Controls and procedures over fuel and maintenance invoicing and reconciliation need improvement.

1.1 Fuel and maintenance invoicing

The Board of Public Service's Equipment Services Division's (ESD) lack of review procedures for fuel invoices allowed system errors to go undetected and, as a result, some ESD fuel costs did not get invoiced. In addition, the ESD has not established procedures to ensure payments for amounts billed are collected. Each month, ESD personnel prepare a spreadsheet that is forwarded to the Comptroller's office to create a journal entry to credit the ESD's internal service fund for the fuel and maintenance costs for city departments. Also, the ESD prepares and sends invoices to the United States Marshal's Office, 2 not-for-profit organizations, and the city Water Division and License Collector's office for fuel used and maintenance services performed.

System errors

ESD personnel were unaware of a system error within the fleet information database that prevented commercial vendor fuel purchases from being invoiced to city offices and other entities until we made a request for information from the database. As a result, ESD personnel did not know fuel purchased from commercial service stations totaling $380,229[1] was not invoiced between February and September 2018. In addition, ESD personnel were unaware of additional system errors that caused some city departments to be overcharged and/or undercharged.

Collection efforts

Our review of monthly fuel and maintenance invoices for fiscal years 2017 and 2018 determined the ESD does not ensure entities invoiced for fuel and maintenance submit payment. Comptroller's office receipt records indicate some organizations and city divisions have not paid amounts invoiced by the ESD or the amounts paid do not agree to amounts invoiced. The ESD does not request information from the Comptroller's office regarding the amounts paid and does not have any procedures to follow up with entities that do not pay. The amounts outstanding for fiscal years 2017 and 2018 are listed in the following table.

[1] $167,028 of the $380,229 in fuel purchased from commercial service stations occurred after June 30, 2018.

Billed Entity	Fiscal Year 2017	2018	Total	Last Invoice Paid Date[1]
Not-for-profit #1	$ 3,629	32,911	36,540	August 2017
St. Louis City Water Division	22,844	9,204	32,048	May 2018
U.S. Marshal's Office	0	24,771	24,771	September 2017
St. Louis City License Collector	1,564	2,988	4,552	March 2017
Not-for-profit #2	219	122	341	No Payments Received
Total	$ 28,256	69,996	98,252	

[1] As of October 2018.
Source: St. Louis City Comptroller's Office accounting records.

Procedures such as performing independent reconciliations of ESD costs to amounts invoiced should be established to ensure all amounts are properly invoiced. In addition, proper and timely monitoring of amounts due is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for nonpayment.

1.2 Fuel reconciliation

Improvement is needed in the monitoring and preparation of fuel reconciliations. The ESD reconciliation of fuel use to fuel purchased for large bulk tanks is not consistent with the standard operating procedure (SOP) and no reconciliation is performed for several small bulk fuel tanks and tanker trucks. The ESD spent approximately $3.8 million on fuel for the year ended June 30, 2018.

The division maintains 3 large bulk gasoline tanks, 4 large bulk diesel tanks, 12 small bulk diesel tanks, 1 small bulk gasoline tank, and 2 tankers at 4 garages (Hampton, Central, Laclede, and Forest Park). We noted the following concerns:

- ESD personnel are not performing the fuel reconciliation for large bulk tanks as defined in SOP 2.1. The SOP requires the parts supervisor at each garage prepare a monthly fuel reconciliation. In addition, the ESD Commissioner indicated an Inventory Control Technician is supposed to perform an independent fuel reconciliation. Our review of the fuel reconciliations performed by the Inventory Control Technician and by the parts supervisors at the Hampton and Central garages for the large bulk fuel tanks, noted procedures used are not consistent and do not follow the reconciliation method outlined in the SOP. In addition, supporting documentation is not maintained and each reconciliation is not reviewed and approved by a supervisor. As a result, there is no assurance the reconciliations performed are complete and accurate. Also, personnel at the Laclede and Forest Park garages do not prepare large bulk tank fuel reconciliations as required.

- The ESD does not monitor and reconcile fuel use to fuel purchased for 11 of the 13 smaller bulk fuel tanks. In addition, although fuel use is

tracked for the other 2 smaller bulk fuel tanks and 2 fuel tankers, no reconciliation is performed between fuel use and fuel purchased. These smaller tanks and tankers are not addressed in the SOP.

To ensure the reasonableness of fuel costs, the ESD should follow the existing SOP to reconcile fuel use to fuel purchased. Fuel reconciliations are necessary to ensure vehicles and equipment are properly utilized, prevent paying vendors for improper amounts invoiced, and decrease the risk of theft or misuse of fuel occurring without detection.

A similar condition was noted in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis Board of Public Service*, Report No. 2018-062, released in August 2018, the division reported these previous recommendations had been implemented; however, we found that corrective action taken was not always effective and problems continue to exist.

Recommendations

The Board of Public Service:

1.1 Develop procedures to ensure complete and accurate amounts are invoiced for fuel and vehicle maintenance performed. In addition, the Board of Public Service should develop procedures to ensure the collection of amounts invoiced.

1.2 Ensure fuel reconciliations are performed as required and reconciliations are documented and reviewed. In addition, the Board of Public Service should update fuel SOPs to include small bulk fuel tanks and tanker trucks to ensure reconciliations are performed.

Auditee's Response

1.1 We concur with these findings and the need for a SOP jointly developed by the Comptroller's office and BPS accounting to confirm that monthly fuel billings are paid by both internal city and external customers. The Comptroller does monitor internal city customers well. It is the billing of and collection from non-General Fund city customers and non-city entities that has been the problem.

1.2 We concur with these findings. Small bulk fuel tanks without electronic transaction equipment are located in major city parks for the convenience of refueling off-road equipment used in those parks. The ESD will develop a SOP to be executed by Parks Division employees to reconcile deliveries requested.

2. Inventory Procedures

Inventory controls and procedures need improvement.

The ESD purchases parts and supplies needed to repair and maintain city fleet vehicles and equipment. The ESD purchased approximately $2.7 million in vehicle and equipment parts for the year ended June 30, 2018. The value of

the inventory on hand for all 4 garages was approximately $2.9 million at June 30, 2018.

2.1 Segregation of duties

The ESD has not adequately segregated inventory duties or ensured there is a documented supervisory or independent review of daily inventory counts performed by parts room personnel. The fleet parts supervisor and maintenance foreman at each of the 4 garages are responsible for ordering, receiving, distributing, and maintaining the parts and supplies inventory. The same personnel reconcile and make daily adjustments to inventory levels recorded in the inventory database.

The ESD Commissioner said he was unaware the parts supervisors and foremen were performing a daily inventory count when receiving and issuing parts and making adjustments as needed for discrepancies in the inventory totals. As a result, although changes to the inventory were tracked in the inventory database, the ESD Commissioner had not performed a supervisory or independent review of the adjustments made.

Proper segregation of duties helps ensure inventories of maintenance parts are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of daily inventories should be performed.

2.2 Inventory procedures

The ESD has not established formal controls and procedures to reconcile and document the daily and semi-annual parts inventory counts performed or to monitor and investigate inventory variances at each garage. As a result, there is no assurance parts inventory quantities and variances are accurate or complete. During our review, we identified the following concerns:

- Semi-annual inventory counts are not always prepared timely. For example, the Hampton and Central garages semi-annual inventories for June 2018, had not been completed as of October 2018.

- The ESD does not maintain complete and accurate supporting documentation of daily or semi-annual inventory counts. For example, several of the semi-annual inventory variance reports prepared during 2018 included vehicle and equipment parts that had been counted multiple times.

- The ESD Commissioner was unaware multiple variance reports for each garage were prepared for the semi-annual inventory count and each needed to be reviewed and approved. For example, the ESD Commissioner determined he had reviewed and approved one of four inventory variance reports prepared for the Laclede garage for fiscal year 2018. As a result, no supervisory review was performed for the other variance reports.

- Some automotive lubricants and liquids may not be recorded and are not inventoried or reconciled. Each maintenance garage has 2 to 4 bulk tanks which contain the most commonly used lubricants and liquids for each location. Authorized use of lubricants and liquids may not be recorded in the inventory database. For example, the ESD Commissioner said drivers of refuse trucks obtain hydraulic fluid without informing garage personnel. In addition, these bulk liquids are not part of the semi-annual inventory. The ESD Commissioner indicated he has implemented physical controls to the maximum extent possible but the division cannot accurately control the dispensing and use of bulk oil and other fluids. In addition, he said employees at one of the four garages are in the process of installing electronic monitoring on that garage's bulk liquid tanks, however, this monitoring was not operational at the time of our review.

Loss, theft, or misuse of inventory may go undetected if inventory records and counts are not sufficient. Effective internal controls and procedures require maintaining complete and accurate records of all inventory items and performing reconciliations of these records to the balances of items on hand that are reviewed by someone independent of the process.

A similar condition was noted in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis Board of Public Service*, Report No. 2018-062, released in August 2018, the division reported the status of the previous recommendation was in progress.

Recommendations

The Board of Public Service:

2.1 Segregate the inventory duties of ESD parts room personnel. If proper segregation cannot be achieved, ensure a documented independent or supervisory review is performed.

2.2 Establish effective controls and procedures to ensure accurate inventory counts are conducted timely, reviewed, and variances are monitored and investigated. In addition, the Board of Public Service should ensure bulk lubricant and liquid usage is recorded.

Auditee's Response

2.1 We concur with this finding and recommendation. ESD Fleet Maintenance Parts Supervisors nor their subordinate Fleet Maintenance Parts Specialists have permissions within the software used to alter inventory levels. That procedure has now been reserved for the independent Inventory Control Technician II or the manager of that section for auditable changes following the 100 percent inventory of each garage parts room and review of the full variance report by Fleet Maintenance Managers and Commissioner of Equipment Services.

2.2 We concur with this finding and recommendation. However, with regard to bulk shop fluids, anything short of 100 percent electronic dispensing controls consistently results in manual efforts falling far short of recording all use. The ESD is currently attempting to implement electronic controls for this inventory problem in the newest Central Garage. If that solution proves successful, the ESD will request budget funds to duplicate the system costing about $30,000 in each of the other three maintenance and repair facilities.

3. Vehicle Assignment Report

The ESD did not attempt to prepare the annual vehicle assignment report for fiscal year ended June 30, 2018, and the fiscal year ended June 30, 2017, report was incomplete. ESD personnel indicated they have been unable to complete annual vehicle assignment reports because most city departments are not providing the required information. The ESD commissioner stated the last annual vehicle report was completed for the fiscal year ended June 30, 2016.

Section 3.1.1 of the Vehicle Policy Manual, states the Commissioner of the ESD shall provide an annual vehicle assignment report to the Board of Estimate and Apportionment by October 1. This report is to include information on all city vehicles by department, as well as cost, mileage, vehicle assignments, commuting justification, and verification of valid operators' licenses. In addition, Section 3.1.2 of the manual states each year, in August, every elected official and appointing authority with vehicles maintained and refueled by the ESD will provide the ESD Commissioner with updated information about vehicle assignments.

The vehicle assignment report, when properly and accurately prepared, is a valuable tool for planning for and monitoring the city's vehicle fleet including identifying who is to be assigned a city vehicle for commuting purposes. To ensure the vehicle assignment report is completed annually as required, the BPS should work with the Board of Estimate and Apportionment to ensure city departments and elected officials provide the necessary information.

A similar condition was noted in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis Board of Public Service*, Report No. 2018-062, released in August 2018, the division reported the status of the recommendation as partially implemented.

Recommendation

The Board of Public Service ensure the vehicle assignment report is completed annually as required by the Vehicle Policy Manual.

Auditee's Response

We concur with the finding and will continue to attempt to implement the recommendation.

The 2018 Vehicle Assignment Survey was distributed to all fleet customers in August 2018 with a suspense date of late September 2018 which if complied with would have resulted in the report being submitted as required to the Board of Estimate and Apportionment in October 2018. The last response to the survey from a major fleet component was not returned until February 2019. The report is currently being compiled and will be provided in March 2019.

The crux of the problem is that while the Commissioner of Equipment Services bears the responsibility of coordinating and compiling this report, he lacks the authority to compel the cooperation of elected officials and appointing authorities to meet the established timeframe.

City of St. Louis - Board of Public Service
Organization and Statistical Information

The Board of Public Service (BPS) was established under the provisions of Article XIII of the St. Louis City Charter. The BPS is made up of the Board President, as well as the Directors of the Departments of Public Utilities, Streets, Human Services, Parks, Health, and Public Safety. The Charter specifies that the Board meet once a week. The Board's duties include approving permits for use of public places, approving permits for private businesses, and accepting or rejecting grants or dedications of highways, streets, and subdivisions. If an ordinance is for a public work it must be first proposed by the Board.

The Office of the President of the BPS is to control and conduct any and all engineering, construction, and reconstruction work undertaken by the city and to supervise all such work in which the city is interested. All plans and specifications for such work shall be prepared under the direction of the BPS and be subject to its approval. To carry out these assignments, the department is divided into planning and programming, design services, construction, and administration.

The Office of the President is also responsible for the following divisions:

1. The Equipment Services Division, responsible for the repair and maintenance of city vehicles and equipment, was formed in 1983. There are 4 garages, 20 refueling sites, and 2 tankers under the direct control of this division.

2. The Facilities Management Division, which maintains approximately 160 buildings citywide, was formed in 1984. There are five trades which function in this division: painters, plumbers, electricians, carpenters, and heating ventilation air conditioning technicians. Custodians for the city hall building are also part of this division.

3. The Soldier's Memorial Military Museum was dedicated as a memorial for veterans and as a museum for preserving a historic collection of military artifacts.

At June 30, 2018, the BPS employed 239 full-time employees. The Board President is appointed by the Mayor of St. Louis. The current Board President, Richard Bradley, was appointed on June 1, 2009.

Office of Missouri State Auditor

Nicole Galloway, CPA

Timeliness of Income Tax Refund Issuance

Report No. 2019-025
April 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Timeliness of Income Tax Refund Issuance

Improvements Made in the Timeliness of Individual Income Tax Refunds	The state made improvements in the timely payment of individual income tax refunds during fiscal year 2018 compared to the previous 2 fiscal years. In addition to the total amount refunded being paid more timely during fiscal year 2018, improvements have also been made in decreasing the number of refunds being delayed.
Improved Cash Flow Allowed for More Timely Refunds	Improvements in the timeliness of income tax refunds resulted from improved cash flow to the General Revenue (GR) Fund in fiscal year 2018. According to monthly general revenue reports generated by the Office of Administration, the state collected significantly higher (32 percent) personal income tax revenue in January 2018 than in January 2017. While borrowings from the Budget Reserve Fund allowed the state to continue to meet its obligations and were replenished before May 16 every year, as required by the Missouri Constitution, this trend indicates the state has not replenished its overall cash reserves following the 2008 recession. Due to the decrease in cash available since 2008, the state has had to use money borrowed from the Budget Reserve Fund for other operating obligations, making less reserve funding available for paying individual income tax refunds.
Refunds Are Not Paid in the Order Processed	State law does not specify that income tax refunds must be paid in the order in which they are received or processed. As a result, the Department of Revenue has established a priority system for paying individual income tax refunds.
Changes to State Withholding Tables	Changes made in 2018 to the state's individual income tax withholding tables to adjust for changes to the federal tax law and a reduction in state income tax rates have resulted in a significant reduction in revenues for individual income tax withholdings to the GR Fund during fiscal year 2019. The impact of these changes in cash flow on the timeliness of income tax refund issuance is uncertain. In addition, changes to the withholding table in January 2019 are expected to result in over withholding from a majority of taxpayers.

Due to the limited objectives of this audit, no overall rating is provided.

Timeliness of Income Tax Refund Issuance
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Kenneth J. Zellers, Acting Director
Department of Revenue

We have audited certain operations of the Department of Revenue related to the timeliness of income tax refund issuance in fulfillment of our duties under Chapter 29, RSMo. The scope of the audit included, but was not necessarily limited to, the years ended June 30, 2018 and 2017. The objectives of our audit were to:

1. Evaluate the internal controls over significant management and financial functions related to the timeliness of income tax refund issuance.

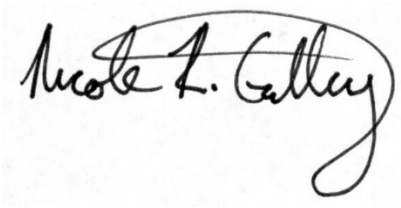
2. Evaluate compliance with certain legal provisions related to the timeliness of income tax refund issuance.

3. Evaluate the economy and efficiency of certain management practices and procedures related to the timeliness of income tax refund issuance.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Due to the nature of this report, and due to the majority of the findings being legislative in nature, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in findings 1 through 3 of the Management Advisory Report. The views of responsible Department of Revenue officials were obtained and included where appropriate.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the timeliness of income tax refund issuance.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Shelbi M. Becker
	Joshua Shope, M.Acct., CPA
Audit Staff:	Nicole Cash, MBA, CGAP
	Benjamin S. Prevallet

Timeliness of Income Tax Refund Issuance
Introduction

Background

The Department of Revenue (DOR) was created by Article IV, Section 12, Missouri Constitution as the central collection agency for state revenues. The DOR Taxation Division administers and collects personal and business taxes, including individual and corporate income taxes, and initiates refunds for overpayments. DOR records indicate during the fiscal years ended June 30, 2017 and 2018, the department collected approximately $7.3 billion and $7.7 billion in individual income tax receipts, and paid related refunds of approximately $1.0 billion and $1.1 billion, respectively. During those fiscal years, the records also indicate the department collected approximately $435 million and $462 million in corporate tax receipts, and paid corporate income tax refunds totaling approximately $159 million and $161 million, respectively. DOR records indicate the state paid interest to taxpayers on approximately 79,000 individual income tax refunds totaling approximately $334,000 in fiscal year 2018. In contrast, the state paid interest on approximately 155,000 refunds totaling approximately $423,000 in fiscal year 2017. During those fiscal years, records also indicate the state paid interest on approximately 100 and 20 corporate income tax refunds totaling approximately $40,000 and $4,000, respectively.

Statutes establishing interest requirements

Prior to 2002, Section 143.811.4, RSMo, required the state to pay interest to taxpayers if the state did not pay income tax refunds within 4 months after the last day prescribed for filing a tax return or within 4 months after the return was filed, whichever was later. As required by Section 32.065, RSMo, the interest rate was the adjusted prime rate charged by banks, as determined by the Board of Governors of the Federal Reserve System. During the 2002 legislative session, the General Assembly passed legislation establishing Sections 32.068 and 32.069, RSMo, which, among other things, changed interest provisions to reduce interest rates the state had to pay. According to DOR officials, 2001 was the first year the state had difficulty issuing income tax refunds timely due to cash flow problems. Section 32.068, RSMo, established the interest rate for refunds to be equal to the previous 12-month annualized average rate of return on all funds invested by the State Treasurer, rounded to the nearest 1/10 of 1 percent. Section 32.069, RSMo, specified the date interest would begin accruing by requiring interest to be paid on any refund or overpayment if it was not refunded within 120 days from the latest of the following dates (1) the last day prescribed for filing a tax return or refund claim, without regard to any extension of time granted; (2) the date the return, payment, or claim was filed; or (3) the date the taxpayer filed for a credit or refund and provided accurate and complete documentation to support such claim.

Section 32.069, RSMo, was amended in 2010 to decrease the number of days the state had to pay refunds before interest would be owed on an individual income tax refund from 120 to 90 days. The corporate income tax interest provision remained at 120 days.

Effective August 28, 2015, Section 32.069, RSMo, was again amended to decrease the number of days the state has to pay refunds before interest would be owed on an individual income tax refund from 90 to 45 days and established the date the return is filed as the date from which interest would begin accruing if the refund was not paid within the 45 days. The corporate income tax interest provision remained at 120 days.

In response to a recommendation made in our prior audit report,[1] the General Assembly passed legislation to increase the interest rate the state has to pay on delayed refunds to the same level as the interest rate taxpayers must pay when making late tax payments. Effective August 28, 2018, Section 32.069, RSMo, was changed so that on and after July 1, 2019, the interest rate the state has to pay on delayed refunds will be determined by Section 32.065, RSMo, which sets the interest rate as the adjusted prime rate charged by banks, as determined by the Board of Governors of the Federal Reserve System. This statute also sets the interest rate paid by taxpayers. During calendar year 2018, this interest rate averaged 4 percent. Prior to July 1, 2019, the interest rate the state has to pay is determined by Section 32.068, RSMo, as previously discussed. During calendar year 2018, this interest rate averaged 1.1 percent.

Payment process

When processing and making refund payments, the DOR is contacted regularly by the Office of Administration (OA) during February through June about the dollar amount allocated to the department to make refund payments that day or week. These allocations are based on the OA's continuous monitoring of the cash flow of the General Revenue (GR) Fund, as explained in Management Advisory Report (MAR) finding number 2.

The DOR assigns each individual income tax refund a priority category, which allows department personnel to put an emphasis on certain types of refunds. Corporate income tax refunds are processed in the order they are received.

Reasons for delays

Most refunds will accrue interest if they are not paid by the time frames established in Section 32.069, RSMo. However, if a taxpayer does not include all relevant information and documentation when filing a return or a notice of adjustment suggesting a financial change to the return is sent to the taxpayer by the DOR, interest will normally begin accruing at a later date (e.g., the date the taxpayer provides all relevant documents).

DOR officials stated the main reasons for delays in issuing refunds include the following:

[1] Report No. 2018-001, *Timeliness of Income Tax Refund Issuance*, issued January 2018.

- lack of cash allocated to the DOR by the OA for issuing refunds from the GR Fund.
- submission errors by taxpayers requiring DOR personnel to manually review the returns.
- apportioned tax credits.[2]
- amended returns filed by taxpayers.[3]
- audited returns.[4]
- legal settlements.[5]
- protested returns.[6]

Scope and Methodology

To gain an understanding of the timeliness of income tax refund issuance, we reviewed written policies and procedures, redacted income tax records,[7] and other pertinent documents; interviewed various personnel of the DOR, the OA, and the State Treasurer's Office; and tested select income tax returns to ensure interest was paid to taxpayers when required, and the correct interest rate was properly applied.

We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

[2] Apportioned tax credits are tax credits held until June each year to determine if taxpayers, in total, are claiming more than the maximum limit allowed by statute. If the limit has been exceeded, the DOR must apportion the tax credit between all returns claiming the tax credit.

[3] The DOR must receive a transcript from the Internal Revenue Service (IRS) to verify acceptance of a taxpayer's amended federal return, if applicable, which usually exceeds 45 days.

[4] Each year the DOR chooses returns to audit based on various factors.

[5] If a return is involved in a lawsuit, the refund is held until the lawsuit has been resolved.

[6] If the taxpayer's refund is denied by the DOR or the DOR determines the taxpayer owes additional taxes, the taxpayer may file an official protest with the department.

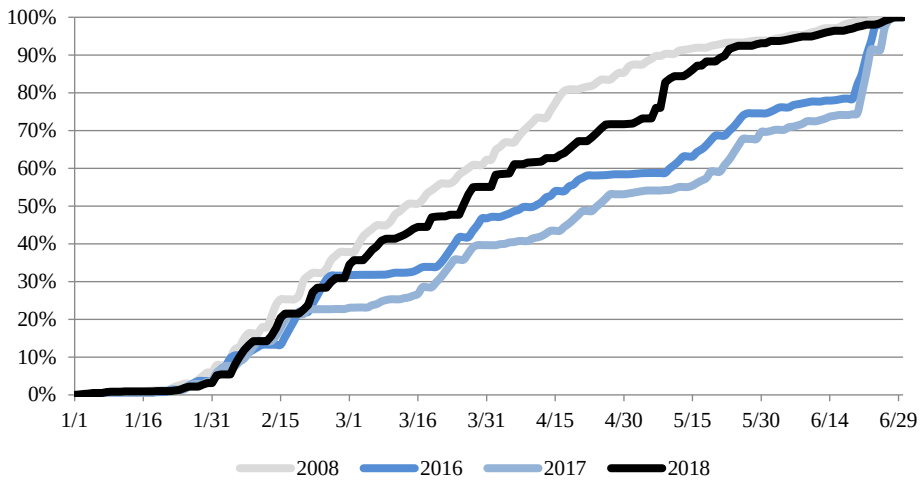
[7] The DOR redacted all personally identifiable taxpayer information from the records we received during the audit based on the department's interpretation of the Missouri Supreme Court decision in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). The redactions by the DOR did not prevent us from obtaining sufficient evidence to meet our audit objectives.

Timeliness of Income Tax Refund Issuance
Management Advisory Report
State Auditor's Findings

1. Improvements Made in the Timeliness of Individual Income Tax Refunds

The state made improvements in the timely payment of individual income tax refunds during fiscal year 2018 compared to the previous 2 fiscal years. Based on state income tax refund data, in fiscal year 2018 the state paid 80 percent of total refunds by May 9. In contrast, for fiscal years 2016 and 2017 the state did not reach that payout level until June 20 and June 22, respectively. However, fiscal year 2018 still lags behind historical timeliness trends. For example, in fiscal year 2008 the state paid 80 percent of total refunds by April 17. Figure 1.1 shows the comparative timing of income tax refund payments for these years.

Figure 1.1: Percent of total refunds paid from January 1 to June 30, by fiscal year, for Fiscal Year 2008, 2016-2018



Source: Data from the state's accounting system (SAM II)

Decreases in delayed refunds

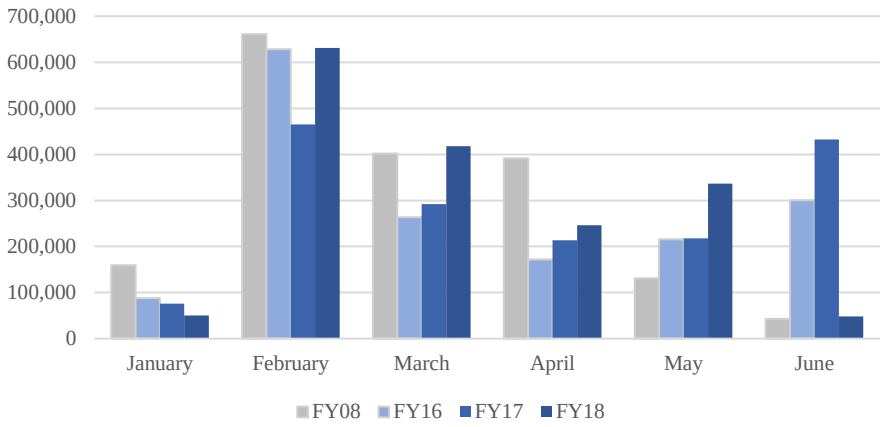
In addition to the total amount refunded being paid more timely during fiscal year 2018, improvements have also been made in decreasing the number of refunds being delayed. The number of June refunds paid in fiscal year 2017 was approximately 433,000 (24 percent of total refunds), but declined significantly in fiscal year 2018 to approximately 48,000 (3 percent of total refunds). For historical perspective, in fiscal year 2008 the number of June refunds was approximately 42,000 (2 percent of total refunds). Figure 1.2 shows the trends in number of refunds issued, by month, from January to June.

In fiscal year 2017, an estimated 672,000 of the approximate 1.8 million individual income tax refunds were paid more than 45 days[8] after being received (37 percent). In fiscal year 2018, an estimated 105,000 of the approximate 1.9 million individual income tax refunds were paid more than

[8] This number includes refunds with interest paid to taxpayers and refunds with interest under $1 not paid to taxpayers.

45 days[9] after being received (6 percent); an improvement of 567,000 returns. As a result of these improvements, the state has paid less in interest on late refunds. Interest paid on refunds decreased from approximately $423,000 paid on approximately 155,000 refunds in fiscal year 2017, to approximately $334,000 paid on approximately 79,000 refunds in fiscal year 2018.

Figure 1.2: Number of individual income tax refunds issued from January to June, 2008 and 2016-2018, by fiscal year



Source: DOR records

Conclusion

State laws reducing the timeframe the DOR has to pay refunds before interest accrues were presumably intended to improve the timeliness of refund payments. While the number and amount of individual income tax refunds being paid later in the year increased from fiscal year 2016 to fiscal year 2017, significant improvements occurred in fiscal year 2018, with refunds being paid more timely. This report discusses the significant causes of the identified trends, as well as other issues related to the timeliness of income tax refund issuance and the impact on taxpayers.

2. Improved Cash Flow Allowed for More Timely Refunds

Improvements in the timeliness of income tax refunds resulted from improved cash flow to the General Revenue (GR) Fund in fiscal year 2018. Our prior audit report discussed the downward trend in the amount of cash reserves available in the GR Fund from 2008 through 2017. During 2018, the cash reserves improved slightly compared to 2017 but still remained low by historical standards.

Improved cash flow

According to monthly general revenue reports generated by the Office of Administration (OA), the state collected significantly higher (32 percent) personal income tax revenue in January 2018 than in January 2017. The January 2018 collections were also significantly higher (32 percent) than the amount collected in January 2019. This fluctuation resulted in increased cash

[9] This number includes refunds with interest paid to taxpayers and refunds with interest under $1 which was paid to taxpayers beginning March 2018.

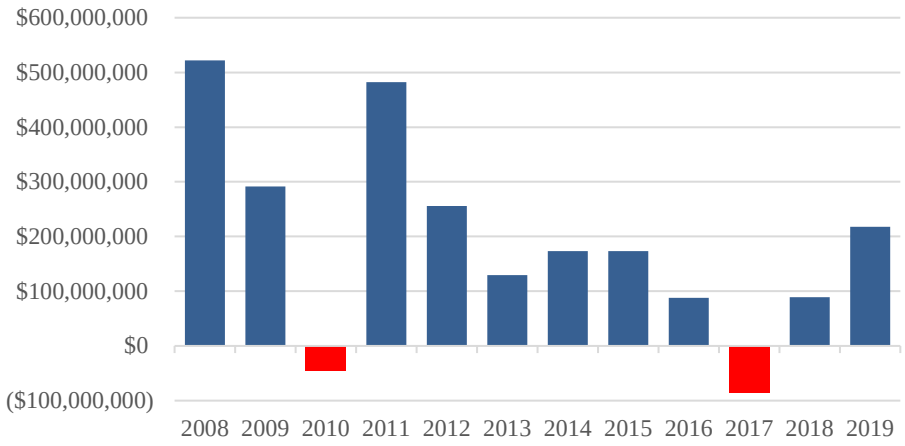
flow of approximately $223 million in January 2018, allowing the DOR to pay refunds more timely.

According to DOR records, throughout the majority of June 2017, the DOR had tax refunds totaling over $200 million processed and ready to be paid, but could not proceed with payment due to the lack of cash available in the GR Fund. In comparison, during June 2018, the most refunds processed and ready to be paid at any point during the month was approximately $6 million on June 28, 2018, with payment of the majority of these refunds occurring within the following week.

Historical cash flow issues continue

Figure 2.1 shows the state's GR Fund cash balance at January 1, less any loans from the Budget Reserve Fund. The balance at January 1, 2018, was $89 million, which is an increase of $175 million from the January 1, 2017 negative balance of $86 million. However, the January 2018 balance was still approximately $433 million less than the pre-recession January 2008 balance. While borrowings from the Budget Reserve Fund allowed the state to continue to meet its obligations and were replenished before May 16 every year, as required by the Missouri Constitution, this trend indicates the state has not replenished its overall cash reserves following the 2008 recession. The state's GR Fund cash balance, less any loans from the Budget Reserve Fund, has continued to increase into fiscal year 2019. The balance at January 1, 2019, was $218 million, an increase of $129 million from the January 1, 2018, balance of $89 million.

Figure 2.1: General Revenue Fund cash balance, net of budget reserve borrowing, at January 1, by year



Source: Office of Administration records

Due to the decrease in cash available since 2008 as shown in Figure 2.1, the OA has had to use money borrowed from the Budget Reserve Fund for other operating obligations, making less reserve funding available for paying individual income tax refunds.

Cash management and the use of the Budget Reserve Fund

The OA is responsible for monitoring revenues and expenditures in the GR Fund. Based on estimates of revenues, historical spending data, and appropriations for expenditures, each day the OA projects the amount available for spending for the day, month, and fiscal year. To ensure the state has enough available cash to make any planned or unplanned payments, the OA looks at long-term obligations to make strategic decisions about the use of available GR cash. If the GR Fund is not projected to have sufficient cash to cover all known and potential expenditures anticipated in the coming days and months, the OA must allocate the cash available among the different expenditure types, including tax refunds, bond obligations, public education payments, public assistance payments, and state payroll, among other obligations.

To ensure adequate cash is on hand to pay these obligations, the OA is allowed to borrow from the Budget Reserve Fund on a short term basis when necessary. Under the Missouri Constitution, Article IV, Section 27(a), the Commissioner of Administration is allowed to transfer monies each year, as set by appropriations,[10] from the Budget Reserve Fund to the GR Fund, if necessary, to meet the cash requirements of the state, and must repay these transfers before May 16 of the same fiscal year. The Budget Reserve Fund is not allowed to exceed 7.5 percent of net general revenue collections[11] for the previous fiscal year.[12]

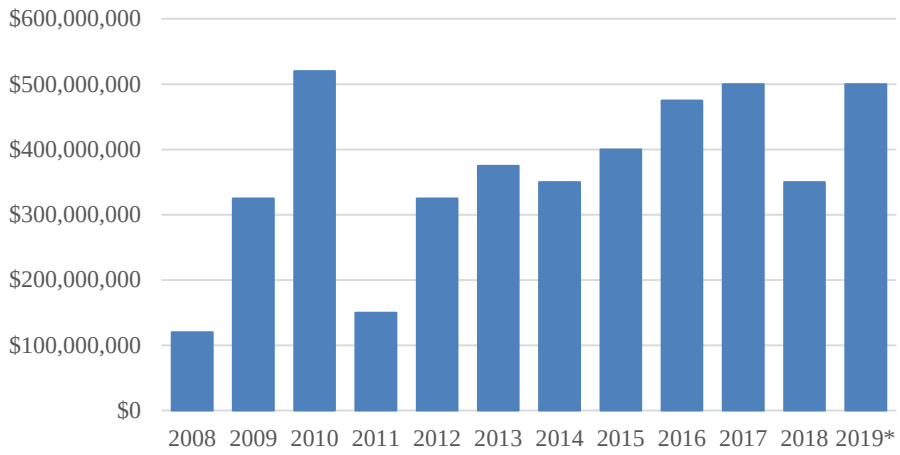
Borrowing from the Budget Reserve Fund has increased since the 2008 recession through fiscal year 2017. However, during fiscal year 2018, $350 million was borrowed compared to $500 million borrowed during fiscal year 2017. For fiscal year 2019, $500 million has been borrowed from the Budget Reserve Fund through March. Figure 2.2 shows the amounts borrowed from budget reserve, by fiscal year.

[10] For fiscal year 2018, the General Assembly appropriated $500 million for Budget Reserve Fund expenditures.

[11] Net general revenue collections are all revenues deposited into the GR Fund less refunds and revenues designated by law for a specific distribution or transfer to another state fund.

[12] At the end of any fiscal year any Budget Reserve Fund balance exceeding 7.5 percent of the general revenue collections must be transferred to the GR Fund as required by the Missouri Constitution, unless the legislature directly appropriates a higher amount in the Budget Reserve Fund (except the balance in the fund at year-end cannot exceed 10 percent of general revenue collections). Such appropriation was not made; therefore, the maximum amount the Budget Reserve Fund could have been at June 30, 2018, was approximately $677 million (7.5 percent of the $9.02 billion net general revenue collections in fiscal year 2017). The actual fund balance was approximately $616 million.

Figure 2.2: Amounts borrowed from Budget Reserve Fund, 2008-2019, by fiscal year



* Fiscal year 2019 includes activity from July through March.

Source: Office of Administration records

The reasons for the fluctuations in fund balance of the GR Fund and causes of the cash flow shortage are beyond the scope of this report. However, previous audit reports[13] address various issues related to reductions to the state's tax base and reductions to tax revenues, and growth in spending in certain areas.

Conclusion

Improved availability of cash reserves in the GR Fund during fiscal year 2018 allowed the state to improve the timeliness of individual income tax refunds and reduce borrowing from the Budget Reserve Fund as compared to 2017. While cash flow improved for 2018, available cash levels still remain low by historical standards and have necessitated borrowing from the Budget Reserve Fund for operational purposes. The cash available to pay state obligations, including income tax refunds, is reliant upon the budget process. State policymakers must continue to address this issue to ensure all state obligations, including tax refunds, are being paid timely.

Recommendation

The General Assembly take action to continue to improve the cash reserves available in the GR Fund.

Auditee's Response

Due to this recommendation being legislative in nature, no management response can be obtained.

[13] Report No. 2017-113, *Cost of Tax Incentives and Exemptions*, issued in October 2017; Report No. 2017-051, *Tax Credit Programs*, issued in June 2017; Report No. 2017-018, *Statewide Single Audit*, issued in March 2017; Report No. 2017-098, State Legal Expense Fund, issue September 2017; and Report No. 2017-099, Legal Expense Fund Letter, issued September 2017.

3. Refunds Are Not Paid in the Order Processed

State law does not specify that income tax refunds must be paid in the order in which they are received or processed. As a result, the DOR has established a priority system for paying individual income tax refunds. The same priority system in place in 2017 was still in use in 2018; however, DOR officials stated they made changes to the Priority 1 designation to help improve the timeliness of refunds.

The DOR's tax system groups individual income tax refunds by return type and assigns each a priority category in the DOR's tax system. Refunds are typically paid based on the following priorities:

- Priority 1: Expedited Refunds - These are refunds the DOR has moved to this priority from a lower priority to expedite payment. Based on DOR's interpretation of case law,[14] department officials did not grant us access to personally identifiable taxpayer information; therefore, we could not determine which taxpayers had their refunds moved to Priority 1 to expedite payment.

  Our prior audit report noted the DOR's practice had been to move large dollar refunds to Priority 1 in an effort to reduce the amount of interest the state would have to pay. However, according to department officials, during fiscal year 2018 this practice ended. During fiscal year 2017, approximately 16,700 refunds were issued as Priority 1; however, in fiscal year 2018, the department issued only 550 refunds as Priority 1.

- Priority 2: Debt Offset Refunds - These are refunds for debt owed by taxpayers to the DOR, Internal Revenue Service, other Missouri state agencies, and other states with reciprocal offset agreements.

- Priority 3: Property Tax Credit Refunds - Individuals over age 65 and individuals who are disabled, if they are under certain income thresholds, can receive a property tax credit on their state income tax returns.

- Priority 4: Electronically-filed and 2D Barcode Returns with Refunds - The 2D barcode returns are paper returns printed from an electronic tax return file. They contain barcodes that can be scanned into the DOR computerized system and do not have to be manually processed. In fiscal year 2018 and 2017, electronically-filed and 2D barcode returns accounted for approximately 95 percent and 94 percent,[15] respectively, of all the individual income tax returns filed.

- Priority 5: Current Year Paper Returns with Refunds - These returns must be manually processed by the DOR.

[14] Missouri Supreme Court decision in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974).

[15] The fiscal year 2017 percentage has been restated from our prior audit report.

- Priority 6: Miscellaneous Refunds - Miscellaneous refunds include refunds from prior year returns, amended returns, and current returns that require adjustments to be made in the tax system by DOR personnel. These refunds must be manually reviewed and then moved to a higher priority.

- Priority 7: Temporary Hold to Check for First-time Filers - These are returns in which the taxpayer has requested the refund be direct deposited. These refunds are held here for one day to determine if the taxpayer is a first-time filer. If the taxpayer is a first-time filer, the system changes the refund from direct deposit to a paper check. This process was put into place by the DOR at the beginning of the 2016 filing season to help prevent refund fraud. If the taxpayer is not a first-time filer, the return is automatically moved back to the priority where it normally would have been placed.

- Priority 8: Fraud Refunds Not Issued - These are refunds that have been flagged as possible fraud based on various information received or not received from the taxpayer. They are held until DOR personnel can manually review the refunds. If they are determined to not be fraudulent, the refunds are assigned a higher priority.

- Priority 9: Amnesty Accounts - These refunds must be manually reviewed and then moved to a higher priority. Amnesty accounts are for taxpayers with delinquent tax balances that will have the interest and penalties waived if the delinquent taxes are paid by an established date determined by the DOR.

Refunds are paid in the order they are received within each priority. Each day refunds are typically paid starting with the highest priority category and continuing until the amount allocated by the OA for tax refunds have been expended that day (see MAR finding number 2 for more information about how the OA determines how much money to allocate each day). During periods with cash flow restrictions, there is not enough money allocated each day to pay out all the priority categories.

The tax system prevents DOR personnel from paying only select refunds within a priority; therefore, with management approval, select returns can be moved to the highest priority to expedite a refund. In November 2018, the DOR implemented a new tax system with the capability to pay select refunds within a priority; however, according to DOR officials, they will continue to use the same priority system to pay refunds and will continue, with management approval, to move select returns to the highest priority to expedite a refund.

Conclusion

With the DOR no longer moving large dollar refunds to Priority 1, this will result in smaller dollar refunds being paid more timely. However, the amount of interest due on large dollar refunds may increase if those refunds are

delayed. In addition, as a result of changes to Section 32.069, RSMo, beginning July 1, 2019, the interest rate the state has to pay on delayed refunds will increase. Therefore, the longer the large dollar refunds are delayed, the more interest the state will be required to pay. While requiring refunds to be paid in the order they are processed and approved for payment will likely result in increased interest costs to the state, doing so would also result in more equitable treatment of all taxpayers owed an income tax refund.

Recommendation

The General Assembly evaluate the DOR's refund priority levels for appropriateness.

Auditee's Response

Due to this recommendation being legislative in nature, no management response can be obtained.

4. Changes to State Withholding Tables

Changes made in 2018 to the state's individual income tax withholding tables to adjust for changes to the federal tax law and a reduction in state income tax rates have resulted in a significant reduction in revenues for individual income tax withholdings to the GR Fund during fiscal year 2019 (through January). Not only will the GR Fund experience a reduction in total individual income tax revenue, but the timing of the revenue to the fund has also been altered with increases in tax remittances and reductions in withholdings. The impact of these changes in cash flow on the timeliness of income tax refund issuance is uncertain.

With the 2018 changes to the withholding tables, along with the federal tax law and state income tax rate changes, taxpayers are likely to receive smaller tax refunds or have larger amounts owed for tax year 2018 than in previous years. However, due to a lack of communication by the DOR, taxpayers have not been well informed about the potential impact of these changes. Also, some decisions made by the former Director of the Department of Revenue when developing the withholding tables have led to confusion and a lack of confidence regarding the accuracy of the withholding tables and the impact of the tables on future withholdings. In addition, the current withholding formula has not been updated in state regulations as required by state law.

Changing of 2018 withholding tables

The state's individual income tax withholding tables for tax year 2018 were initially delayed due to the changes to the federal tax law that occurred in December 2017. The DOR adjusted the state's withholding tables for changes in the federal tax law and the updated tables were published in March 2018. In October 2018, at the direction of the former Director, the DOR issued new withholding tables to help increase withholdings in response to concerns about reduced withholding levels during 2018. These changes have led to confusion and a lack of confidence regarding the accuracy of the withholding tables and the impact those withholding tables may have on taxpayers as they file their 2018 tax returns. In addition, when additional revisions were made to the withholding tables in January 2019, the DOR chose to exclude an

adjustment to Missouri taxable income[16] that will impact a significant number of taxpayers, resulting in an over withholding for certain taxpayers with a federal income tax liability and Missouri adjusted gross income under $125,000. DOR officials stated the exclusion of this adjustment from the 2019 withholding calculation was made in an effort to simplify the calculation, and because including the adjustment did not significantly impact individual taxpayer withholdings. Based on our analysis of 2017 individual income tax return data from the DOR, an estimated 53 percent of the returns will be impacted by this adjustment, and will result in an estimated $62.9 million (1.2 percent[17]) increase in total withholdings for calendar year 2019. Since these changes were implemented in January 2019 they should offset some portion of the reduced withholdings from the first half of fiscal year 2019.

The director of the Department of Revenue, through the department, is responsible for providing guidance to taxpayers regarding withholdings, including updating the tax tables. Although the DOR is not required to publish regulations for most tax policy guidance, state law requires the withholding calculation be published in the Code of State Regulations (CSR). See page 17 for additional discussion. The director and the administration are responsible for providing this guidance and informing taxpayers of any changes.

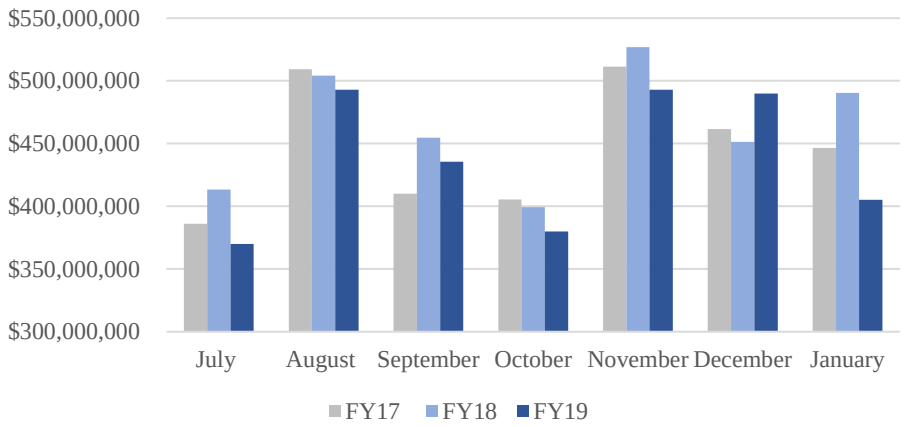
Impact on timeliness of income tax refunds

The impact of the changes to the withholding tables on the timeliness of income tax refunds is uncertain. Current consensus revenue estimates from the OA Division of Budget and Planning are projecting a reduction in state withholdings of approximately $275 million (4.8 percent) for fiscal year 2019 compared to fiscal year 2018. See Figure 4.1 for the comparison of actual income tax withholding revenues between July and January, for fiscal years 2017, 2018, and 2019.

[16] Section 143.171.2, RSMo, provides for a deduction equal to a percentage of a taxpayer's federal income tax liability on the Missouri individual income tax return. The maximum deduction percentage is 35 percent for individuals with Missouri adjusted gross income under $25,000. The deductible percentage declines as the Missouri adjusted gross income increases, and is fully phased out for individuals with Missouri adjusted gross income exceeding $125,000.

[17] This estimated percentage was calculated using the estimated total withholding revenue for fiscal year 2019 of $5.46 billion projected by the OA Division of Budget and Planning.

Figure 4.1: Individual income tax withholding amounts collected from July to January, for fiscal year 2017-2019



Source: Office of Administration records

However, the OA Division of Budget and Planning projects an increase in individual income tax remittances[18] that will help offset the significant reduction in withholding revenue. The combined decrease in withholdings and the increase in remittances is still estimated to result in a decrease in overall individual income tax revenue of approximately $109 million (1.4 percent) in fiscal year 2019 compared to fiscal year 2018 if the state meets its consensus revenue estimate. Because income tax withholdings occur on an even basis throughout the year, and remittances occur later in the fiscal year, the withholding table changes will have a negative impact on state cash flow.

According to OA Division of Budget and Planning estimates, the amount of individual income tax refunds the state will need to pay is projected to decrease $232 million (20.5 percent) in fiscal year 2019. The reduced amount of refunds to be paid will reduce necessary expenses, however, the changes in cash flow to the state still result in uncertainty about the state's ability to timely pay 2019 income tax refunds, and other obligations. Any level of revenue short of the current revenue estimates will likely necessitate additional borrowing from the Budget Reserve Fund or negatively impact the timeliness of income tax refunds in 2019.

Impact to taxpayers

Changes to the federal tax law, reduction in the state income tax rates, and changes to the state's withholding tables are expected to result in changes for many taxpayers in either smaller tax refunds or larger amounts owed for tax year 2018 compared to previous years. The DOR and the administration did not make sufficient efforts to inform individual taxpayers of the potential impact these changes may have on their 2018 tax returns. DOR officials stated they mailed flyers and sent emails to employers and contacted payroll

[18] Tax remittances, which are payments of taxes that are not withholdings and are not estimated quarterly payments, are expected to increase $134 million (15.4 percent) in fiscal year 2019.

agencies by telephone. However, notifications to individual taxpayers consisted only of social media posts that reached minimal taxpayers.

Timely notification to taxpayers of the potential impacts of the changes to the withholding tables would have allowed taxpayers to make adjustments to their withholding preferences prior to the end of the tax year and would have potentially alleviated concerns currently being faced by some taxpayers.

State regulation for withholdings not updated

The January 2019 withholding table calculation is not consistent with the state regulations, as required by state law. Section 143.191.3(1), RSMo, states, in part, "the method of determining the amount to be withheld shall be prescribed by regulations of the director of revenue." Currently, 12 CSR 10-2.015(20) states regarding the withholding formula: "The formula is mathematically stated as gross income minus standard deduction, minus personal and dependent exemptions, minus federal income tax withheld equals taxable income. Taxable income multiplied by the rate equals Missouri withholding." Based on our review of the January 2019 withholding table and related calculations, the current withholding tables and formula are inconsistent with the current regulation.

Amending the withholding formula regulation through the rulemaking process mandated by Chapter 536, RSMo, is necessary to inform the General Assembly of any changes in the rules through notice to the Joint Committee on Rules. This process also allows for notice and comment to the general public for input on the rules. In the event the rulemaking process could not be timely completed, the department has the ability to publish a temporary emergency rule as provided by Section 536.025, RSMo.

Conclusion

Changes to the state's withholding tables in 2018, along with a reduction in state income tax rates, have significantly decreased revenues from individual income tax withholdings during fiscal year 2019. In addition to negatively impacting taxpayers' 2018 tax return, the changes to the withholding tables are expected to have a negative impact on cash flow to the state, and could potentially have a negative impact on the timeliness of income tax refund issuance in 2019. In addition, the multiple changes to the withholding tables, and the lack of communication by the DOR to taxpayers regarding the potential impact of those changes, have led to confusion and a lack of confidence regarding the accuracy of the withholding tables.

Recommendation

The DOR continue to monitor the impact of the withholding table changes on the timeliness of income tax refunds, and take steps to inform taxpayers of the potential impact of changes made to the state's withholding tables and inform taxpayers of the steps necessary to make any changes to their withholding preferences going forward. The DOR should also update the state regulation to ensure consistency with any changes to the withholding tax calculation.

Auditee's Response

The DOR's written response is included in the Appendix.

MICHAEL L. PARSON
GOVERNOR

JOEL W. WALTERS
DIRECTOR OF REVENUE

MISSOURI DEPARTMENT OF REVENUE
POST OFFICE BOX 311
JEFFERSON CITY, MISSOURI 65105-0311
PHONE: (573) 751-4450
FAX: (573) 751-7150
WEBSITE: www.dor.mo.gov
E-MAIL: dormail@dor.mo.gov

March 18, 2019

Robyn Vogt, CPA
Audit Manager
Missouri State Auditor's Office
HSTOB, Room 880
Jefferson City, MO 65101

Dear Ms. Vogt:

Below please find the Missouri Department of Revenue's response to the Missouri State Auditor's report on Timeliness of Tax Refund Issuance.

Changes to State Withholding Tables

Recommendation – The DOR continue to monitor the impact of the withholding table changes on the timeliness of income tax refunds, and take steps to inform taxpayers of the potential impact of changes made to the state's withholding tables and inform taxpayers of the steps necessary to make any changes to their withholding preferences going forward. The DOR should also update the state regulation to ensure consistency with any changes to the withholding tax calculation.

DOR Response –The DOR will continue to monitor the impact of the withholding table changes and will take steps to communicate with taxpayers. The DOR will begin work to update the state regulation.

If you have any questions, please contact Lynn Bexten at 751-7429, or Lynn.Bexten@dor.mo.gov.

Sincerely,

Joel Walters

LB/

C: Maria Sanders
Mark Godfrey
Esta Zaring
Mike Davis
Joel Allison

Office of Missouri State Auditor

Nicole Galloway, CPA

Monthly Report on Political Subdivision Filings February 2019

Report No. 2019-024
April 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
February 2019
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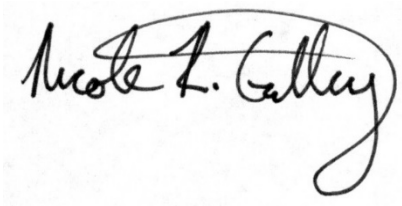
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 21 political subdivisions required to file a financial report by February 28, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in February 2019, after their filing deadline. The filing status for these 20 entities is presented in summary on page 3 and by individual entity in Appendix B-D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 21 political subdivisions, other than cities, towns, and villages, with a fiscal year end of August 31, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 21 political subdivisions, 12 filed an annual financial report by February 28, 2019.

This report also includes the filing status for 20 political subdivisions, other than cities, towns, and villages, that filed their financial report in February 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due February 28, 2019

Fiscal Year Ended August 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Twin Pines Adult Care Center	No	
Carroll	Brunswick Levee District	Yes	September 4, 2018
Franklin	New Haven SRD Franklin County	Yes	October 1, 2018
Holt	Little Tarkio Drainage District	No	
Jackson	Atherton Blue Mills Levee District	Yes	November 12, 2018
Jefferson	Arnold Retail Corridor TDD	Yes	February 11, 2019
	Arnold Triangle TDD	Yes	February 11, 2019
	Ridgecrest CID	Yes	December 13, 2018
Knox	Knox County NHD	No	
Lawrence	Lawrence County NHD	No	
McDonald	PWSD 2 McDonald County	Yes	December 18, 2018
New Madrid	Drainage District 33 New Madrid County	No	
Pemiscot	St. Francis Levee District	Yes	January 28, 2019
Ripley	Ripley County Memorial Hospital	No	
Saline	Miami Levee District 1	Yes	August 18, 2018
Scott	Miner Gateway CID	Yes	February 11, 2019
St. Louis	Richardson Crossing CID	No	
Stoddard	Essex SRD Stoddard County	Yes	January 15, 2019
	PWSD 2 Stoddard County	No	
Washington	Washington County Memorial Hospital	Yes	January 30, 2019
Wayne	PWSD 3 Wayne County	No	
Total Filed		12	
Total Not Filed		9	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in February 2019

Fiscal Year Ended April 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Broadway Area CID	Yes	February 15, 2019
Total Filed		1	

Acronyms:
CID Community Improvement District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in February 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	2317 Belt CID	Yes	February 22, 2019
	Commons CID	Yes	February 21, 2019
	Cook Crossings CID	Yes	February 11, 2019
Caldwell	Caldwell County Ambulance District	Yes	February 1, 2019
Greene	Commercial Street CID	Yes	February 5, 2019
	James River Commons CID	Yes	February 14, 2019
Lincoln	Lincoln County Health Department	Yes	February 25, 2019
Nodaway	West Nodaway FPD	Yes	February 25, 2019
Ralls	Highway 61 CID	Yes	February 5, 2019
Ray	Ray County Ambulance District	Yes	February 6, 2019
St. Charles	Consolidated North County LD	Yes	February 18, 2019
St. Louis City	Grand Center Area Two CID	Yes	February 4, 2019
	North Broadway Carrie CID	Yes	February 6, 2019
	Riverside CID	Yes	February 12, 2019
Vernon	Vernon County Ambulance District	Yes	February 25, 2019
Total Filed		15	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
LD	Levee District

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due January 31, 2019
Filed in February 2019

Fiscal Year Ended July 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Lafayette	Alma FPD	Yes	February 20, 2019
Lewis	La Grange SRD Lewis County	Yes	February 22, 2019
Ray	Richmond SRD Ray County	Yes	February 22, 2019
St. Francois	St. Francois County SRD 2	Yes	February 22, 2019
Total Filed		4	

Acronyms:

FPD	Fire Protection District
SRD	Special Road District

Office of Missouri State Auditor

Nicole Galloway, CPA

Monthly Report on Municipal Court and Revenue Filings February 2019

Report No. 2019-023
April 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
February 2019
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NICOLE GALLOWAY, CPA
Missouri State Auditor

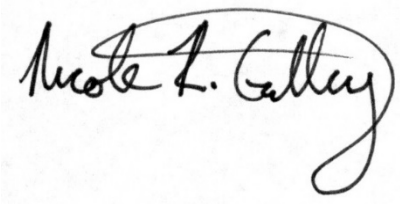
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by February 28, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 6 cities, 1 town, and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in February 2019, after their filing deadline. The filing status for these 107 cities, 2 towns, and 12 villages is presented in summary on pages 4 and by individual entity in Appendixes B to F.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 6 cities, 1 town, and 4 villages with a fiscal year end of August 31, 2018, whose financial reports, addendums, or certifications were due by February 28, 2019. Of the 11 municipalities required to file an annual financial report, 5 filed the report timely. Of the 8 municipalities required to file an addendum, 2 filed an addendum timely. Of the 4 municipalities required to file a certification, 2 filed a certification timely.

This report includes the filing status for 107 cities, 2 towns, and 12 villages that filed at least one of the items (financial report, addendum, or certification) in February 2019, after their filing deadline. Of these entities, 32 filed an annual financial report, 79 filed an addendum, and 38 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 28, 2019

Fiscal Year Ended August 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Barton	City of Golden City	Yes	January 8, 2019	No	n/a
Bates	Village of Merwin	Yes	January 14, 2019	n/a	n/a
Clay	City of Avondale	No		No	n/a
Franklin	Village of Miramiguoa Park	No		n/a	n/a
Jefferson	City of Arnold	Yes	February 26, 2019	Yes	Yes
Scotland	City of Memphis	Yes	February 27, 2019	Yes	n/a
Scott	City of Miner	No		No	No
	Village of Haywood City	No		n/a	n/a
St. Charles	Town of Augusta	Yes	November 8, 2018	No	n/a
St. Louis	Village of Pasadena Park	No		No	Yes
Taney	City of Forsyth	No		No	No
Total Filed		5		2	2
Total Not Filed		6		6	2
Total n/a		0		3	7

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in February 2019

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Howell	City of Willow Springs	***	July 18, 2018	***	Yes
Total Filed		0		0	1

*** Filed after June 30, 2018, but before February 2019.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018
Filed in February 2019

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Atchison	City of Tarkio	**	April 16, 2018	Yes	Yes
Camden	Village of Sunrise Beach	***	October 10, 2018	Yes	n/a
Howell	City of West Plains	**	September 13, 2018	Yes	n/a
Lafayette	City of Lexington	**	May 15, 2018	Yes	n/a
Lawrence	City of Verona	**	September 11, 2018	Yes	Yes
Ray	City of Hardin	**	August 31, 2018	**	Yes
Saline	City of Sweet Springs	**	July 19, 2018	Yes	Yes
	Village of Mount Leonard	Yes	February 22, 2019	n/a	n/a
Scott	City of Chaffee	***	October 23, 2018	Yes	No
St. Francois	City of Leadwood	**	August 2, 2018	Yes	No
St. Louis	City of Kirkwood	**	September 27, 2018	Yes	Yes
Texas	City of Licking	**	August 20, 2018	**	Yes
Total Filed		1		9	6

** Filed by September 30, 2018.

*** Filed after September 30, 2018, but before February 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in February 2019

Fiscal Year Ended April 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jackson	City of Kansas City	**	October 31, 2018	Yes	**
Jasper	City of Carl Junction	***	November 1, 2018	**	Yes
New Madrid	City of Risco	***	October 3, 2018	Yes	Yes
Phelps	City of St. James	**	October 24, 2018	Yes	Yes
St. Louis	City of Beverly Hills	***	December 14, 2018	**	Yes
Total Filed		0		3	4

** Filed by October 31, 2018.

*** Filed after October 31, 2018, but before February 2019.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2018
Filed in February 2019

Fiscal Year Ended May 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cape Girardeau	Village of Gordonville	Yes	September 24, 2018	Yes	n/a
Total Filed		1		1	0

n/a Entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in February 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Audrain	City of Laddonia	**	November 19, 2018	Yes	n/a
Bollinger	City of Marble Hill	**	December 13, 2018	Yes	n/a
Boone	City of Rocheport	Yes	February 17, 2019	n/a	n/a
	City of Sturgeon	**	October 24, 2018	Yes	n/a
	Town of Huntsdale	Yes	February 19, 2019	n/a	n/a
Buchanan	City of St. Joseph	***	January 23, 2019	Yes	Yes
Caldwell	City of Hamilton	**	December 28, 2018	Yes	n/a
Camden	City of Linn Creek	***	January 22, 2019	Yes	n/a
Cape Girardeau	City of Delta	Yes	February 23, 2019	**	n/a
	Village of Whitewater	Yes	February 25, 2019	**	n/a
Carter	City of Ellsinore	**	July 18, 2018	Yes	n/a
Cass	City of Archie	Yes	February 13, 2019	Yes	n/a
	City of Cleveland	**	December 12, 2018	Yes	n/a
	City of Freeman	**	December 11, 2018	Yes	n/a
	Village of Baldwin Park	Yes	February 8, 2019	n/a	n/a
Cedar	Village of Jerico Springs	**	November 5, 2018	Yes	n/a
Christian	City of Clever	**	October 17, 2018	Yes	**
	City of Highlandville	**	December 7, 2018	Yes	Yes
	City of Sparta	**	November 28, 2018	Yes	Yes
Clinton	City of Lathrop	**	December 20, 2018	Yes	Yes
Dade	City of Everton	**	November 16, 2018	Yes	n/a
Daviess	City of Jamesport	**	December 28, 2018	Yes	n/a
	City of Pattonsburg	**	August 27, 2018	Yes	n/a
	Village of Altamont	Yes	February 17, 2019	No	n/a
DeKalb	City of Clarksdale	**	July 18, 2018	Yes	n/a
Dent	City of Salem	Yes	February 4, 2019	Yes	n/a
Dunklin	City of Arbyrd	**	November 14, 2018	Yes	No
	City of Campbell	**	December 19, 2018	Yes	No
	City of Clarkton	**	August 8, 2018	**	Yes
	City of Kennett	**	December 19, 2018	Yes	No
	City of Senath	**	December 7, 2018	Yes	No
Gasconade	City of Owensville	**	December 18, 2018	Yes	No
Gentry	City of Albany	***	January 22, 2019	Yes	n/a
	City of King City	***	January 22, 2019	Yes	n/a
Greene	City of Battlefield	**	December 10, 2018	Yes	Yes
Holt	City of Craig	Yes	February 4, 2019	No	n/a
Howell	City of Mountain View	Yes	February 4, 2019	***	**
Iron	City of Ironton	**	December 27, 2018	Yes	n/a
Jasper	City of Waco	Yes	February 19, 2019	n/a	n/a
Jefferson	City of Byrnes Mill	***	January 28, 2019	**	Yes
	City of Hillsboro	No		Yes	Yes
	City of Olympian Village	Yes	February 8, 2019	n/a	n/a

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in February 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Johnson	City of Holden	Yes	February 13, 2019	No	n/a
Laclede	Village of Evergreen	Yes	February 14, 2019	n/a	n/a
Lafayette	City of Corder	**	July 11, 2018	Yes	n/a
Lafayette	City of Wellington	**	August 24, 2018	Yes	n/a
Lawrence	City of Miller	**	October 12, 2018	Yes	Yes
Lewis	City of Lewistown	Yes	February 5, 2019	n/a	n/a
Lincoln	City of Troy	**	December 19, 2018	**	Yes
Livingston	Village of Mooresville	Yes	February 11, 2019	n/a	n/a
Macon	City of La Plata	**	July 24, 2018	Yes	n/a
Marion	City of Hannibal	**	December 18, 2018	Yes	**
Montgomery	City of Middletown	Yes	February 5, 2019	No	n/a
	City of Montgomery	**	December 28, 2018	**	Yes
	City of New Florence	Yes	February 19, 2019	Yes	No
Morgan	City of Stover	**	October 15, 2018	Yes	n/a
New Madrid	City of Gideon	Yes	February 13, 2019	No	No
Newton	City of Diamond	**	December 11, 2018	**	Yes
	City of Granby	***	January 24, 2019	***	Yes
Nodaway	City of Arkoe	Yes	February 17, 2019	n/a	n/a
	City of Burlington Junction	**	December 26, 2018	Yes	n/a
Oregon	City of Alton	**	December 19, 2018	Yes	n/a
	City of Koshkonong	**	July 24, 2018	Yes	n/a
	City of Thayer	**	December 31, 2018	Yes	**
Pettis	City of Smithton	Yes	February 7, 2019	No	n/a
Pike	City of Clarksville	**	December 31, 2018	Yes	n/a
	City of Frankford	***	January 22, 2019	Yes	n/a
Pulaski	City of Crocker	**	November 14, 2018	Yes	No
Ralls	City of New London	***	January 14, 2019	Yes	n/a
	Village of Rensselaer	Yes	February 5, 2019	n/a	n/a
Randolph	City of Moberly	***	January 29, 2019	Yes	n/a
	Village of Jacksonville	Yes	February 25, 2019	n/a	n/a
Ray	City of Lawson	**	November 26, 2018	Yes	Yes
	City of Wood Heights	**	November 30, 2018	Yes	No
	Village of Elmira	Yes	February 1, 2019	n/a	n/a
Reynolds	City of Ellington	***	January 23, 2019	Yes	n/a
Ripley	City of Doniphan	**	December 19, 2018	Yes	n/a
Scott	City of Benton	Yes	February 5, 2019	No	n/a
Shelby	City of Clarence	**	December 18, 2018	Yes	n/a
St. Louis	City of Bella Villa	**	December 28, 2018	No	Yes
	City of Country Club Hills	***	January 22, 2018	Yes	**
	City of Creve Coeur	**	December 18, 2018	Yes	Yes
	City of Eureka	**	December 20, 2018	**	Yes
	City of Frontenac	**	December 28, 2018	**	Yes

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in February 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Glendale	**	December 4, 2018	Yes	No
	City of Maplewood	***	January 23, 2019	Yes	Yes
	City of University City	Yes	February 22, 2019	Yes	Yes
	City of Velda City	Yes	February 11, 2019	No	Yes
	City of Vinita Park	**	November 14, 2018	Yes	Yes
	City of Wellston	**	December 31, 2018	No	Yes
St. Louis	City of Winchester	**	December 12, 2018	**	Yes
	Town of Grantwood Village	Yes	February 8, 2019	No	No
Stoddard	City of Bell City	**	December 21, 2018	Yes	n/a
	City of Bernie	Yes	February 8, 2019	Yes	No
	City of Bloomfield	***	January 11, 2019	Yes	Yes
Stone	City of Crane	Yes	February 4, 2019	**	**
Sullivan	City of Milan	**	November 7, 2018	Yes	n/a
Taney	City of Rockaway Beach	***	January 18, 2019	Yes	n/a
Texas	City of Summersville	**	December 28, 2018	Yes	Yes
Vernon	City of Walker	**	October 5, 2018	Yes	n/a
Washington	City of Potosi	**	December 20, 2018	Yes	Yes
Webster	City of Seymour	**	November 12, 2018	Yes	n/a
Total Filed		30		66	27

** Filed by December 31, 2018.

*** Filed after December 31, 2018, but before February 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Office of Missouri State Auditor

Nicole Galloway, CPA

Compilation of 2018 Federal Forfeiture Reports

Report No. 2019-022
March 2019

auditor.mo.gov

Compilation of 2018 Federal Forfeiture Reports
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NICOLE GALLOWAY, CPA
Missouri State Auditor

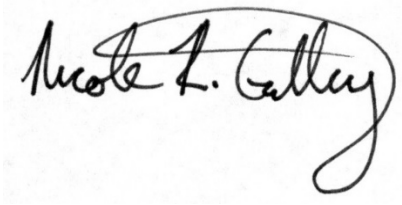
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

Section 513.653.1, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to file a copy of the federal form entitled "ACA Form - Equitable Sharing Agreement and Certification" regarding federal seizures and the proceeds therefrom to the State Auditor's Office. Although Section 513.653.1, RSMo, only requires my office to receive these reports, we compiled the information the law enforcement agencies filed with us. We have not audited the forms submitted and, accordingly, do not express an opinion or any other form of assurance on them, including whether or not an agency is in compliance with the statute. The primary objectives of this compilation were to:

1. Identify the reporting status of law enforcement agencies.

2. Summarize the information reported.

Conclusions regarding compliance cannot be made for law enforcement agencies that did not submit a form.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Kelly Davis, M.Acct., CPA, CFE
Senior Analyst: Jill Wilson, MBA

Compilation of 2018 Federal Forfeiture Reports
Executive Summary

Executive Summary

Section 513.653, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to annually file a copy of the federal form entitled "ACA Form - Equitable Sharing Agreement and Certification" regarding federal seizures and the proceeds received therefrom with the State Auditor's Office (SAO) by February 15th for the previous calendar year. The law provides that the any law enforcement agency that intentionally or knowingly fails to comply with the reporting requirement shall be ineligible to receive state or federal funds that would otherwise be paid to such agency for law enforcement, safety, or criminal justice purposes.

The U.S. Departments of Justice and Treasury publication, *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies*, states "the Department of Justice and Department of Treasury Asset Forfeiture Programs are, first and foremost, law enforcement programs. They remove the tools of crime from criminal organizations, deprive wrongdoers of the proceeds of their crimes, recover property that may be used to compensate victims, and deter crime." Any state or local law enforcement agency that directly participates in an investigation or prosecution resulting in a federal forfeiture may request an equitable share of the net proceeds of the forfeiture. Equitably shared funds must be used for law enforcement purposes, except as noted in the publication, and must increase or supplement the resources of the receiving law enforcement agency. In addition to reporting requirements under state law, there are also various program mandated accounting, reporting, and audit requirements.

To determine the law enforcement agencies to notify of the required filing with the SAO, we requested information from the Missouri Department of Public Safety (DPS). The DPS compiled a list of law enforcement agencies using information from the Peace Officer Standards and Training (POST) program and the Justice Assistance Grants (JAG) distribution lists. The SAO notified the listed agencies of the requirement to submit a copy of the required form if the agencies participated in the federal forfeiture system. According to DPS personnel, the list does not represent a complete list of all agencies, but includes all agencies with commissioned officers or drug task forces receiving funding from the DPS.

There were 674 agencies on the DPS list provided to our office. An additional 2 agencies, not included on the list provided by DPS, filed reports with the SAO. Officials from 7 political subdivisions associated with agencies on the DPS list indicated those agencies were not in operation during 2018. Those agencies are identified on Appendix C. This report indicates agencies that filed copies of the form by February 28, 2019.

The following table summarizes these reports.

Reporting Status	Number	Percentage
Number of agencies reporting (Appendix A and B)	125	18.49
Number of agencies not reporting (Appendix C)	551	81.51
Total Possible Reports	676	100.00

A total of 125 agencies filed a copy of the federal form with the SAO. These agencies are identified on Appendixes A and B.

Of the 674 agencies included in the list provided by DPS, 551 did not provide a copy of the form. Agencies were not required to provide a copy of the form if they did not participate in the federal forfeiture system. These agencies are identified on Appendix C.

Conclusions regarding compliance cannot be made for non-reporting agencies. This compilation work is not an audit and, as such, no verification was performed as to whether these agencies did or did not participate in the federal forfeiture system.

Appendix A
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Justice Funds

			Justice Funds								
	Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
1	Arnold Police Department	8/31/2018	$ 17,724.25	0.00	0.00	0.00	0.00	17,724.25	7,943.94	9,780.31	
2	Ashland Police Department	4/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
3	Ballwin Police Department	12/31/2017	68,974.01	1,110.60	8,705.44	0.00	277.95	79,068.00	41,679.08	37,388.92	
4	Bates County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
5	Bellefontaine Neighbors Police Department	6/30/2018	50,374.27	42,045.67	8,286.49	0.00	0.00	100,706.43	46,348.09	54,358.34	
6	Belton Police Department	3/31/2018	5,769.86	36,835.78	0.00	0.00	7.02	42,612.66	29,754.47	12,858.19	
7	Billings Police Department	12/31/2017	3,112.31	0.00	0.00	0.00	0.00	3,112.31	2,165.88	946.43	
8	Blue Springs Police Department	9/30/2018	0.00	67,058.16	0.00	0.00	0.00	67,058.16	67,058.16	0.00	
9	Bollinger County Sheriff's Office	12/31/2017	2,852.86	0.00	0.00	0.00	6.37	2,859.23	1,299.00	1,560.23	
10	Boone County Sheriff's Office	12/31/2017	32,259.48	0.00	0.00	0.00	308.95	32,568.43	0.00	32,568.43	
11	Boonville Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
12	Brentwood Police Department	12/31/2017	105,110.90	57,544.93	0.00	0.00	0.00	162,655.83	33,858.41	128,797.42	
13	Bridgeton Police Department	12/31/2017	486,959.01	18,593.21	0.00	0.00	0.00	505,552.22	63,124.94	442,427.28	
14	Brookfield Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
15	Cabool Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
16	Callaway County Sheriff's Office	12/31/2017	6,827.72	0.00	0.00	0.00	74.94	6,902.66	358.96	6,543.70	
17	Camdenton Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
18	Cape Girardeau County Sheriff's Office	12/31/2017	24,458.68	4,302.01	0.00	0.00	214.41	28,975.10	0.00	28,975.10	
19	Cape Girardeau Police Department	6/30/2018	36,421.15	1,868.43	0.00	0.00	571.20	38,860.78	43.34	38,817.44	
20	Charleston Department of Public Safety	4/30/2018	7,244.78	0.00	0.00	0.00	8.99	7,253.77	0.00	7,253.77	
21	Chesterfield Police Department	12/31/2017	155,417.04	19,253.83	25,163.75	0.00	0.00	199,834.62	53,319.26	146,515.36	
22	Christian County Sheriff's Office	12/31/2017	50,027.23	14,225.70	0.00	11,629.26	746.71	76,628.90	14,727.32	61,901.58	
23	Clay County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	AB
24	Clayton Police Department	9/30/2018	141,014.34	23,382.25	0.00	0.00	1,029.36	165,425.95	40,812.12	124,613.83	
25	Cole County Sheriff's Office	12/31/2017	6,874.92	0.00	0.00	0.00	0.00	6,874.92	0.00	6,874.92	
26	Combined Ozarks Multi-jurisdictional Enforcement Team (COMET)	6/30/2018	1,353.29	34,348.02	0.00	0.00	0.39	35,701.70	34,460.18	1,241.52	
27	Cottleville Police Department	12/31/2017	0.00	27,095.73	0.00	0.00	0.00	27,095.73	0.00	27,095.73	
28	Dunklin County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
29	East Central Drug Task Force (ECDTF)	12/31/2017	26,559.51	123,047.14	0.00	0.00	143.07	149,749.72	20,167.45	129,582.27	
30	Eureka Police Department	6/30/2018	6,474.26	5,187.00	0.00	0.00	2.90	11,664.16	3,616.50	8,047.66	
31	Florissant Police Department	11/30/2017	384,428.38	15,723.92	7,027.52	0.00	319.66	407,499.48	158,045.16	249,454.32	
32	Foristell Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
33	Franklin County Narcotics Enforcement Unit	12/31/2017	20,834.64	170,365.04	0.00	0.00	914.79	192,114.47	44,757.08	147,357.39	
34	Franklin County Sheriff's Office	12/31/2017	813.54	0.00	0.00	0.00	0.79	814.33	656.86	157.47	

Appendix A
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Justice Funds

			Justice Funds								
	Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
35	Frontenac Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
36	Fulton Police Department	12/31/2017	44,338.96	0.00	0.00	686.24	335.30	45,360.50	0.00	45,360.50	
37	Glendale Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
38	Grain Valley Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
39	Grandview Police Department	9/30/2018	9,278.84	0.00	0.00	0.00	0.00	9,278.84	0.00	9,278.84	
40	Greene County Sheriff's Office	12/31/2017	67,484.59	13,768.85	0.00	23,855.78	247.41	105,356.63	85,031.53	20,325.10	
41	Grundy County Sheriff's Office	12/31/2017	296,614.77	0.00	0.00	0.00	0.00	296,614.77	69,900.46	226,714.31	
42	Harrisonville Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
43	Hayti Police Department	6/30/2018	28,749.40	0.00	0.00	450.00	0.00	29,199.40	0.00	29,199.40	
44	Hazelwood Police Department	6/30/2018	86,100.78	5,739.69	0.00	0.00	0.00	91,840.47	67,789.00	24,051.47	
45	Henry County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
46	Howell County Sheriff's Office	12/31/2017	9,095.28	0.00	0.00	0.00	32.71	9,127.99	3,000.00	6,127.99	
47	Independence Police Department	6/30/2018	398,030.24	127,267.56	0.00	1,500.00	2,816.66	529,614.46	307,892.05	221,722.41	
48	Jackson Police Department	12/31/2017	15,049.21	687.62	0.00	0.00	0.00	15,736.83	1,290.00	14,446.83	
49	Jasper County Drug Task Force	6/30/2018	78,544.85	2,668.75	0.00	0.00	69.15	81,282.75	6,289.85	74,992.90	
50	Jasper County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
51	Jefferson City Police Department	10/31/2018	113,892.84	0.00	0.00	0.00	1,993.12	115,885.96	0.00	115,885.96	
52	Jefferson County Municipal Enforcement Group	6/30/2018	18,992.23	24,538.24	0.00	0.00	341.64	43,872.11	8,575.37	35,296.74	
53	Jefferson County Sheriff's Office	12/31/2017	168,576.01	49,847.78	0.00	0.00	1,565.46	219,989.25	73,711.09	146,278.16	
54	Johnson County Sheriff's Office	12/31/2017	19,146.69	2,759.56	0.00	0.00	196.14	22,102.39	0.00	22,102.39	
55	Joplin Police Department	10/31/2018	138,224.75	14,909.04	0.00	0.00	3,440.59	156,574.38	0.00	156,574.38	
56	Kansas City International Airport Police Division	4/30/2018	246,525.94	54,394.23	0.00	0.00	3,106.94	304,027.11	30,760.00	273,267.11	
57	Kansas City Police Department	4/30/2018	1,495,212.51	438,661.87	0.00	1,425.00	16,460.20	1,951,759.58	111,795.17	1,839,964.41	
58	Kennett Police Department	6/30/2018	24,287.22	0.00	0.00	0.00	0.00	24,287.22	0.00	24,287.22	
59	Kirksville Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
60	Kirkwood Police Department	3/31/2018	276,593.48	65,282.34	0.00	0.00	3,670.01	345,545.83	218,193.39	127,352.44	
61	Lafayette County Sheriff's Office	12/31/2017	4,845.07	29,591.75	0.00	0.00	0.00	34,436.82	6,664.47	27,772.35	
62	Lake Area Narcotics Enforcement Group (LANEG)	6/30/2018	33,941.48	5,335.10	0.00	0.00	135.70	39,412.28	24,849.65	14,562.63	
63	Lake St. Louis Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
64	Lebanon Police Department	6/30/2018	8,739.71	0.00	0.00	298.46	0.00	9,038.17	625.00	8,413.17	
65	Lee's Summit Police Department	6/30/2018	318,200.50	152,042.89	0.00	0.00	7,817.09	478,060.48	0.00	478,060.48	
66	Maplewood Police Department	6/30/2018	17,013.39	0.00	0.00	0.00	29.29	17,042.68	2,304.50	14,738.18	
67	Maryland Heights Police Department	12/31/2017	265,647.83	42,642.43	0.00	0.00	2,513.64	310,803.90	164,223.08	146,580.82	
68	Maryville Department of Public Safety	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B

Appendix A
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Justice Funds

			Justice Funds								
	Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
69	Mid-Missouri Unified Strike Team and Narcotics Group (MUSTANG)	12/31/2017	166,708.45	0.00	0.00	0.00	0.00	166,708.45	26,418.54	140,289.91	
70	Mineral Area Drug Task Force	6/30/2018	0.00	19,345.38	0.00	0.00	0.00	19,345.38	3,739.39	15,605.99	
71	Missouri State Highway Patrol	6/30/2018	281,550.52	334,623.33	0.00	200,855.95	6,378.77	823,408.57	0.00	823,408.57	
72	Moberly Police Department	6/30/2018	4,320.59	0.00	0.00	0.00	0.00	4,320.59	0.00	4,320.59	
73	Monett Police Department	3/31/2018	39.51	487.50	0.00	0.00	0.00	527.01	0.00	527.01	
74	Nixa Police Department	12/31/2017	0.00	4,781.40	0.00	0.00	44.33	4,825.73	0.00	4,825.73	
75	Normandy Police Department	9/30/2018	9,237.07	104,808.60	0.00	0.00	0.00	114,045.67	10,351.39	103,694.28	
76	North Missouri (NOMO) Drug Task Force	6/30/2018	16,765.73	0.00	0.00	0.00	35.71	16,801.44	988.99	15,812.45	
77	O'Fallon Police Department	12/31/2017	381,530.73	24,794.77	0.00	0.00	2,199.18	408,524.68	14,369.00	394,155.68	
78	Osceola Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
79	Overland Police Department	6/30/2018	148,193.12	30,678.20	0.00	0.00	19.18	178,890.50	36,481.60	142,408.90	
80	Park Hills Police Department	9/30/2018	365,622.42	9,536.00	0.00	0.00	798.91	375,957.33	929.00	375,028.33	
81	Peculiar Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
82	Pemiscot County Sheriff's Office	12/31/2017	272,076.70	0.00	0.00	0.00	324.00	272,400.70	128,405.01	143,995.69	
83	Perry County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
84	Pettis County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
85	Phelps County Prosecutor's Office	12/31/2017	309,110.04	159,237.64	0.00	0.00	1,422.10	469,769.78	146,453.13	323,316.65	
86	Phelps County Sheriff's Office	12/31/2017	2,893,955.07	1,084,633.32	0.00	26,690.19	11,360.26	4,016,638.84	756,897.61	3,259,741.23	A
87	Platte County Sheriff's Office	12/31/2017	131,232.37	15,347.09	0.00	0.00	1,321.35	147,900.81	11,762.02	136,138.79	
88	Pleasant Valley Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
89	Pulaski County Prosecutor's Office	12/31/2017	1,706.17	0.00	0.00	0.00	0.00	1,706.17	0.00	1,706.17	
90	Raytown Police Department	10/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
91	Richmond Heights Police Department	6/30/2018	238,391.95	53,312.31	0.00	0.00	0.00	291,704.26	9,151.00	282,553.26	
92	Ripley County Sheriff's Office	12/31/2017	7,824.83	0.00	0.00	0.00	0.00	7,824.83	0.00	7,824.83	
93	Rock Hill Police Department	3/31/2018	1,419.61	0.00	0.00	0.00	0.00	1,419.61	0.00	1,419.61	
94	Rolla Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
95	Sedalia Police Department	3/31/2018	21,914.06	0.00	0.00	0.00	0.00	21,914.06	2,581.42	19,332.64	
96	Sikeston Department of Public Safety	6/30/2018	72,372.84	12,673.30	0.00	0.00	204.56	85,250.70	0.00	85,250.70	
97	South Central Drug Task Force	6/30/2018	2,198.77	63,894.27	14,906.75	0.00	0.00	80,999.79	79,363.58	1,636.21	
98	Southeast Missouri (SEMO) Drug Task Force	6/30/2018	491,431.49	8,011.10	0.00	200.00	3,702.08	503,344.67	134,529.08	368,815.59	
99	Springfield Police Department	6/30/2018	126,534.04	84,389.73	0.00	0.00	1,308.12	212,231.89	59,758.69	152,473.20	
100	St. Ann Police Department	12/31/2017	0.00	15,027.93	0.00	0.00	0.00	15,027.93	15,027.93	0.00	
101	St. Charles City Police Department	12/31/2017	40,090.29	52,691.25	8,705.44	8,748.93	0.00	110,235.91	10,000.00	100,235.91	
102	St. Charles County Police Department	12/31/2017	1,096,224.96	757,367.20	7,459.77	45,860.07	5,931.43	1,912,843.43	669,606.43	1,243,237.00	

Appendix A
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Justice Funds

			Justice Funds								
	Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
103	St. Charles County Prosecuting Attorney's Office	12/31/2017	153,185.18	54,203.63	0.00	0.00	2,166.77	209,555.58	22,527.93	187,027.65	A
104	St. Charles County Regional Drug Task Force	12/31/2017	79,221.35	58,811.47	0.00	0.00	667.39	138,700.21	85,994.80	52,705.41	
105	St. Francois County Sheriff's Office	12/31/2017	5,891.74	34,490.80	0.00	0.00	181.20	40,563.74	30,357.99	10,205.75	
106	St. John Police Department	12/31/2017	215,220.04	34,490.80	0.00	0.00	11.97	249,722.81	66,643.41	183,079.40	
107	St. Joseph Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
108	St. Louis Airport Police Department	6/30/2018	2,297,077.85	257,518.33	0.00	0.00	32,238.02	2,586,834.20	428,782.25	2,158,051.95	
109	St. Louis Metropolitan Police Department	6/30/2018	813,415.44	849,220.56	0.00	0.00	98.20	1,662,734.20	223,559.00	1,439,175.20	
110	St. Peters Police Department	9/30/2018	129,417.11	68,514.43	0.00	0.00	0.00	197,931.54	5,443.52	192,488.02	
111	St. Robert Police Department	12/31/2017	8,709.52	0.00	0.00	0.00	0.00	8,709.52	0.00	8,709.52	
112	Ste. Genevieve County Sheriff's Office	12/31/2017	0.00	1,852.50	0.00	0.00	0.00	1,852.50	0.00	1,852.50	
113	Sunset Hills Police Department	12/31/2017	1,917.33	0.00	0.00	0.00	0.00	1,917.33	1,724.00	193.33	
114	Taney County Sheriff's Office	12/31/2017	7,392.90	0.00	0.00	8.86	60.48	7,462.24	3,696.32	3,765.92	
115	Troy Police Department	6/30/2018	12,581.07	1,462.50	0.00	0.00	56.51	14,100.08	9,288.66	4,811.42	
116	Vernon County Sheriff's Office	12/31/2017	538.25	39,608.40	0.00	0.00	87.27	40,233.92	37,294.14	2,939.78	A
117	Warren County Sheriff's Office	12/31/2017	1,133.64	0.00	0.00	0.00	11.32	1,144.96	0.00	1,144.96	A
118	Warrensburg Police Department	9/30/2018	0.00	2,759.56	0.00	0.00	0.00	2,759.56	0.00	2,759.56	
119	Waverly Police Department	7/1/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
120	Wayne County Sheriff's Office	12/31/2017	4,419.97	0.00	0.00	0.00	0.00	4,419.97	2,645.69	1,774.28	
121	Webster Groves Police Department	6/30/2018	8,619.69	0.00	8,286.49	0.00	0.00	16,906.18	8,976.71	7,929.47	
122	Wentzville Police Department	12/31/2017	5,801.55	0.00	0.00	0.00	0.00	5,801.55	0.00	5,801.55	
123	West Plains Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
124	Willard Police Department	12/31/2017	656.00	0.00	0.00	0.00	0.00	656.00	0.00	656.00	
125	Woodson Terrace Police Department	6/30/2018	24,534.98	0.00	8,286.49	0.00	29.66	32,851.13	24,235.39	8,615.74	
	Total		$ 16,675,197.94	5,930,698.42	96,828.14	322,208.74	120,057.32	23,144,990.56	4,915,074.43	18,229,916.13	

Note: This appendix shows the categories on the Annual Certification Report section of the ACA Form - Equitable Sharing Agreement and Certification and what each agency reported.

A The agency submitted a copy the form after the February 15, 2019 deadline.
B The agency's form reported no activity in the Justice Funds section of the annual certification.

Appendix B
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Treasury Funds

			Treasury Funds								
	Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
1	Arnold Police Department	8/31/2018	$ 47,593.06	0.00	0.00	0.00	0.00	47,593.06	21,331.06	26,262.00	
2	Ashland Police Department	4/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
3	Ballwin Police Department	12/31/2017	56,810.87	0.00	16,458.28	37,893.03	648.55	111,810.73	23,846.31	87,964.42	
4	Bates County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
5	Bellefontaine Neighbors Police Department	6/30/2018	575.27	0.00	16,458.28	36,358.35	0.00	53,391.90	14,374.46	39,017.44	
6	Belton Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
7	Billings Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
8	Blue Springs Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
9	Bollinger County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
10	Boone County Sheriff's Office	12/31/2017	15,606.69	9,007.88	0.00	0.00	175.30	24,789.87	0.00	24,789.87	
11	Boonville Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
12	Brentwood Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
13	Bridgeton Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
14	Brookfield Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
15	Cabool Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
16	Callaway County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
17	Camdenton Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
18	Cape Girardeau County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
19	Cape Girardeau Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
20	Charleston Department of Public Safety	4/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
21	Chesterfield Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
22	Christian County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
23	Clay County Sheriff's Office	12/31/2017	8,673.27	39,654.08	0.00	0.00	0.00	48,327.35	14,866.77	33,460.58	A
24	Clayton Police Department	9/30/2018	0.00	0.00	27,181.38	0.00	0.00	27,181.38	27,181.38	0.00	
25	Cole County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
26	Combined Ozarks Multi-jurisdictional Enforcement Team (COMET)	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
27	Cottleville Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
28	Dunklin County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
29	East Central Drug Task Force (ECDTF)	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
30	Eureka Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
31	Florissant Police Department	11/30/2017	174.38	0.00	2,168.16	0.00	0.00	2,342.54	0.00	2,342.54	
32	Foristell Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
33	Franklin County Narcotics Enforcement Unit	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
34	Franklin County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B

Appendix B
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Treasury Funds

			Treasury Funds								
	Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
35	Frontenac Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
36	Fulton Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
37	Glendale Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
38	Grain Valley Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
39	Grandview Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
40	Greene County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
41	Grundy County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
42	Harrisonville Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
43	Hayti Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
44	Hazelwood Police Department	6/30/2018	0.00	0.00	70,277.70	0.00	0.00	70,277.70	70,277.70	0.00	
45	Henry County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
46	Howell County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
47	Independence Police Department	6/30/2018	8,166.21	0.00	0.00	0.00	110.97	8,277.18	0.00	8,277.18	
48	Jackson Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
49	Jasper County Drug Task Force	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
50	Jasper County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
51	Jefferson City Police Department	10/31/2018	373.94	0.00	0.00	0.00	6.54	380.48	0.00	380.48	
52	Jefferson County Municipal Enforcement Group	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
53	Jefferson County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
54	Johnson County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
55	Joplin Police Department	10/31/2018	55,961.99	18,664.60	0.00	0.00	0.00	74,626.59	0.00	74,626.59	
56	Kansas City International Airport Police Division	4/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
57	Kansas City Police Department	4/30/2018	158,214.47	16,727.34	0.00	0.00	1,817.64	176,759.45	217.39	176,542.06	
58	Kennett Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
59	Kirksville Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
60	Kirkwood Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
61	Lafayette County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
62	Lake Area Narcotics Enforcement Group (LANEG)	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
63	Lake St. Louis Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
64	Lebanon Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
65	Lee's Summit Police Department	6/30/2018	159,494.45	0.00	0.00	0.00	3,702.13	163,196.58	0.00	163,196.58	
66	Maplewood Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
67	Maryland Heights Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
68	Maryville Department of Public Safety	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B

Appendix B
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Treasury Funds

			Treasury Funds								
	Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
69	Mid-Missouri Unified Strike Team and Narcotics Group (MUSTANG)	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
70	Mineral Area Drug Task Force	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
71	Missouri State Highway Patrol	6/30/2018	86,855.22	23,168.84	0.00	0.00	858.99	110,883.05	0.00	110,883.05	
72	Moberly Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
73	Monett Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
74	Nixa Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
75	Normandy Police Department	9/30/2018	6,090.34	0.00	0.00	0.00	0.00	6,090.34	0.00	6,090.34	
76	North Missouri (NOMO) Drug Task Force	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
77	O'Fallon Police Department	12/31/2017	0.00	0.00	22,252.50	0.00	0.00	22,252.50	22,252.50	0.00	
78	Osceola Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
79	Overland Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
80	Park Hills Police Department	9/30/2018	30,005.60	0.00	0.00	0.00	0.00	30,005.60	0.00	30,005.60	
81	Peculiar Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
82	Pemiscot County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
83	Perry County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
84	Pettis County Sheriff's Office	12/31/2017	16,335.00	0.00	0.00	0.00	0.00	16,335.00	16,335.00	0.00	
85	Phelps County Prosecutor's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
86	Phelps County Sheriff's Office	12/31/2017	27,090.50	0.00	0.00	0.00	0.00	27,090.50	0.00	27,090.50	A
87	Platte County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
88	Pleasant Valley Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
89	Pulaski County Prosecutor's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
90	Raytown Police Department	10/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
91	Richmond Heights Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
92	Ripley County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
93	Rock Hill Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
94	Rolla Police Department	9/30/2018	49,802.26	0.00	0.00	13,654.00	416.88	63,873.14	6,320.29	57,552.85	
95	Sedalia Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
96	Sikeston Department of Public Safety	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
97	South Central Drug Task Force	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
98	Southeast Missouri (SEMO) Drug Task Force	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
99	Springfield Police Department	6/30/2018	0.00	35,444.71	0.00	0.00	55.09	35,499.80	35,499.80	0.00	
100	St. Ann Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
101	St. Charles City Police Department	12/31/2017	73,213.37	0.00	16,458.28	0.00	0.00	89,671.65	14,138.80	75,532.85	
102	St. Charles County Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B

Appendix B
Compilation of 2018 Federal Forfeiture Reports
Summary of Information Reported for Treasury Funds

	Name	Fiscal Year End	Treasury Funds: Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
103	St. Charles County Prosecuting Attorney's Office	12/31/2017	0.00	1,993.87	0.00	0.00	0.00	1,993.87	0.00	1,993.87	A
104	St. Charles County Regional Drug Task Force	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
105	St. Francois County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
106	St. John Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
107	St. Joseph Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
108	St. Louis Airport Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
109	St. Louis Metropolitan Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
110	St. Peters Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
111	St. Robert Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
112	Ste. Genevieve County Sheriff's Office	12/31/2017	12,490.77	0.00	0.00	50.39	8.31	12,549.47	1,404.01	11,145.46	
113	Sunset Hills Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
114	Taney County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
115	Troy Police Department	6/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
116	Vernon County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	AB
117	Warren County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	AB
118	Warrensburg Police Department	9/30/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
119	Waverly Police Department	7/1/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
120	Wayne County Sheriff's Office	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
121	Webster Groves Police Department	6/30/2018	23,421.06	0.00	16,458.28	0.00	0.00	39,879.34	31,624.24	8,255.10	
122	Wentzville Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
123	West Plains Police Department	3/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
124	Willard Police Department	12/31/2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
125	Woodson Terrace Police Department	6/30/2018	18,504.04	0.00	16,458.28	7,899.47	41.72	42,903.51	2,253.11	40,650.40	
	Total		$ 855,452.76	144,661.32	204,171.14	95,855.24	7,842.12	1,307,982.58	301,922.82	1,006,059.76	

Note: This appendix shows the categories on the Annual Certification Report section of the ACA Form - Equitable Sharing Agreement and Certification and what each agency reported.

A The agency submitted a copy the form after the February 15, 2019 deadline.
B The agency's form reported no activity in the Treasury Funds section of the annual certification.

Appendix C
Compilation of 2018 Federal Forfeiture Reports
Law Enforcement Agencies Not Filing a 2018 ACA Form - Equitable Sharing Agreement and Certification*

	Name		Name	
1	13th Judicial Court Marshal's Office	61	Bunker Police Department	
2	19th Circuit Court Marshal's Office	62	Burlington Northern Santa Fe Railroad	
3	Adair County Sheriff's Office	63	Butler County Sheriff's Office	
4	Adrian Police Department	64	Butler Police Department	
5	Advance Police Department	65	Butterfield Police Department	
6	Alma Police Department	66	Byrnes Mill Police Department	
7	Alton Police Department	67	Caldwell County Sheriff's Office	
8	Anderson Police Department	68	California Police Department	
9	Andrew County Sheriff's Office	69	Callao Police Department	
10	Annapolis Police Department	70	Calverton Park Police Department	
11	Appleton City Police Department	71	Camden County Sheriff's Office	
12	Arbyrd Police Department	72	Camden Point Police Department	
13	Arcadia Police Department	73	Camden Police Department	
14	Archie Police Department	74	Cameron Police Department	
15	Ash Grove Police Department	75	Campbell Police Department	
16	Atchison County Sheriff's Office	76	Canalou Police Department	
17	Audrain County Sheriff's Office	77	Canton Police Department	
18	Aurora Police Department	78	Cardwell Police Department	
19	Auxvasse Police Department	79	Carl Junction Police Department	
20	Ava Police Department	80	Carroll County Sheriff's Office	
21	Barry County Sheriff's Office	81	Carrollton Police Department	
22	Barton County Sheriff's Office	82	Carter County Sheriff's Office	
23	Bates City Police Department	83	Carterville Police Department	
24	Battlefield Police Department	84	Carthage Police Department	
25	Bell City Police Department	85	Caruthersville Police Department	
26	Bella Villa Police Department	86	Cass County Sheriff's Office	
27	Belle Police Department	87	Cassville Police Department	
28	Bellflower Police Department	88	Catron Police Department	
29	Bel-Nor Police Department	89	Cedar County Sheriff's Office	
30	Bel-Ridge Police Department	90	Center Police Department	
31	Benton County Sheriff's Office	91	Centerview Police Department	
32	Benton Police Department	92	Centralia Police Department	
33	Berger Police Department	93	Chaffee Police Department	
34	Berkeley Police Department	94	Chamois Police Department	A
35	Bernie Police Department	95	Chariton County Sheriff's Office	
36	Bertrand Police Department	96	Chilhowee Police Department	
37	Bethany Police Department	97	Chillicothe Police Department	
38	Bevier Police Department	98	Clarence Police Department	
39	Birch Tree Police Department	99	Clark County Sheriff's Office	
40	Bismarck Police Department	100	Clark Police Department	
41	Blackburn Police Department	101	Clarksburg Police Department	
42	Bland Police Department	102	Clarksdale Police Department	
43	Bloomfield Police Department	103	Clarkton Police Department	
44	Blue Springs School District Police Department	104	Clay County Parks Department	
45	Bolivar Police Department	105	Claycomo Police Department	
46	Bonne Terre Police Department	106	Cleveland Police Department	
47	Bourbon Police Department	107	Clever Police Department	
48	Bowling Green Police Department	108	Clinton County Sheriff's Office	
49	Branson Police Department	109	Clinton Police Department	
50	Branson West Police Department	110	Cole Camp Police Department	
51	Braymer Police Department	111	Columbia Police Department	
52	Breckenridge Hills Police Department	112	Concordia Police Department	
53	Browning Police Department	113	Conway Police Department	
54	Brunswick Police Department	114	Cooper County Sheriff's Office	
55	Buchanan County Drug Strike Force	115	Cooter Police Department	
56	Buchanan County Sheriff's Office	116	Corder Police Department	
57	Bucklin Police Department	117	Country Club Hills Police Department	
58	Buckner Police Department	118	Country Club Village Police Department	
59	Buffalo Police Department	119	Crane Police Department	
60	Bunceton Police Department	120	Crawford County Sheriff's Office	

Appendix C
Compilation of 2018 Federal Forfeiture Reports
Law Enforcement Agencies Not Filing a 2018 ACA Form - Equitable Sharing Agreement and Certification*

	Name	
121	Creighton Police Department	
122	Crestwood Police Department	
123	Creve Coeur Police Department	
124	Crocker Police Department	
125	Crystal City Police Department	
126	Crystal Lakes Police Department	
127	Cuba Police Department	
128	Dade County Sheriff's Office	
129	Dallas County Sheriff's Office	
130	Daviess County Sheriff's Office	
131	Deepwater Police Department	
132	DeKalb County Sheriff's Office	
133	Delta Police Department	
134	Dent County Sheriff's Office	
135	Des Peres Department of Public Safety	
136	Desloge Police Department	
137	DeSoto Police Department	
138	Dexter Police Department	
139	Diamond Police Department	
140	Dixon Police Department	
141	Doniphan Police Department	
142	Doolittle Police Department	
143	Douglas County Sheriff's Office	
144	Drexel Police Department	
145	Duenweg Police Department	
146	Dunklin R-5 School District Police Department	
147	Duquesne Police Department	
148	East Lynne Police Department	
149	East Prairie Police Department	
150	Easton Police Department	
151	Edgar Springs Police Department	
152	Edgerton Police Department	
153	Edina Police Department	
154	Edmundson Police Department	
155	El Dorado Springs Police Department	
156	Eldon Police Department	
157	Ellington Police Department	
158	Ellisville Police Department	
159	Ellsinore Police Department	
160	Elsberry Police Department	
161	Eminence Police Department	
162	Emma Police Department	
163	Eolia Police Department	
164	Essex Police Department	A
165	Everton Police Department	
166	Excelsior Springs Police Department	
167	Exeter Police Department	
168	Fair Grove Police Department	
169	Fair Play Police Department	
170	Fairview Police Department	
171	Farber Police Department	
172	Farmington Police Department	
173	Fayette Police Department	
174	Ferguson Police Department	
175	Ferrelview Police Department	
176	Festus Police Department	
177	Fleming Police Department	
178	Fordland Police Department	
179	Forsyth Police Department	
180	Frankford Police Department	
181	Fredericktown Police Department	
182	Freeman Police Department	
183	Galena Police Department	
184	Gallatin Police Department	
185	Garden City Police Department	
186	Gasconade County Sheriff's Office	
187	Gasconade Police Department	
188	Gentry County Sheriff's Office	
189	Gerald Police Department	
190	Gideon Police Department	
191	Gladstone Department of Public Safety	
192	Glasgow Police Department	
193	Goodman Police Department	
194	Gordonville Police Department	A
195	Gower Police Department	
196	Granby Police Department	
197	Grandin Police Department	A
198	Green City Police Department	
199	Green Ridge Police Department	
200	Greenfield Police Department	
201	Greenville Police Department	
202	Greenwood Police Department	
203	Hale Police Department	
204	Hallsville Police Department	
205	Hamilton Police Department	
206	Hannibal Police Department	
207	Hardin Police Department	
208	Harrison County Sheriff's Office	
209	Hartville Police Department	
210	Hawk Point Police Department	
211	Henrietta Police Department	
212	Herculaneum Police Department	
213	Hermann Police Department	
214	Hickory County Sheriff's Office	
215	Higginsville Police Department	
216	High Hill Police Department	
217	Highlandville Police Department	
218	Hillsboro Police Department	
219	Hillsdale Police Department	
220	Holcomb Police Department	
221	Holden Police Department	
222	Hollister Police Department	
223	Holt County Sheriff's Office	
224	Holts Summit Police Department	
225	Hornersville Police Department	
226	Houston Police Department	
227	Howard County Sheriff's Office	
228	Howardville Police Department	
229	Humansville Police Department	
230	Huntsville Police Department	
231	Iberia Police Department	
232	Indian Point Police Department	
233	Iron County Sheriff's Office	
234	Iron Mountain Lake Police Department	
235	Ironton Police Department	
236	Jackson County Parks & Recreation	
237	Jackson County Sheriff's Office	
238	Jackson County Drug Task Force	
239	Jamestown Police Department	
240	Jasper Police Department	

Appendix C
Compilation of 2018 Federal Forfeiture Reports
Law Enforcement Agencies Not Filing a 2018 ACA Form - Equitable Sharing Agreement and Certification*

	Name	
241	Jefferson College Campus Police Department	
242	Jonesburg Police Department	
243	Kahoka Police Department	
244	Kansas City Board of Police Commissioners	
245	Kansas City Southern Railroad	
246	Kearney Police Department	
247	Kelso Police Department	
248	Keytesville Police Department	
249	Kimberling City Police Department	
250	Kimmswick Police Department	
251	King City Police Department	
252	Kingsville Police Department	
253	Knob Noster Police Department	
254	Knox County Sheriff's Office	
255	Laclede County Sheriff's Office	
256	Laddonia Police Department	
257	Ladue Police Department	
258	Lafayette County Narcotic Task Force	
259	LaGrange Police Department	
260	Lake Lafayette Police Department	
261	Lake Lotawana Police Department	
262	Lake Ozark Police Department	
263	Lake Tapawingo Police Department	
264	Lake Waukomis Police Department	
265	Lake Winnebago Police Department	
266	Lakeshire Police Department	
267	Lamar Police Department	
268	LaMonte Police Department	
269	Lanagan Police Department	
270	Lancaster Police Department	
271	LaPlata Police Department	
272	Lathrop Police Department	
273	Laurie Police Department	
274	Lawrence County Sheriff's Office	
275	Lawson Police Department	
276	Leadington Police Department	
277	Leadwood Police Department	
278	Leasburg Police Department	
279	Leeton Police Department	
280	Lewis County Sheriff's Office	
281	Lexington Police Department	
282	Liberal Police Department	
283	Liberty Police Department	
284	Licking Police Department	
285	Lilbourn Police Department	
286	Lincoln County Sheriff's Office	
287	Lincoln Police Department	
288	Lincoln University Department of Public Safety	
289	Linn County Sheriff's Office	
290	Linn Creek Police Department	
291	Linn Police Department	
292	Livingston County Sheriff's Office	
293	Logan-Rogersville Police Unit	
294	Lone Jack Police Department	
295	Louisiana Police Department	
296	Lowry City Police Department	
297	Macon County Sheriff's Office	
298	Macon Police Department	
299	Madison County Sheriff's Office	
300	Malden Police Department	
301	Manchester Police Department	
302	Mansfield Police Department	
303	Marble Hill Police Department	
304	Marceline Police Department	
305	Maries County Sheriff's Office	
306	Marion County Northeast Missouri (NEMO) Task Force	
307	Marion County Sheriff's Office	
308	Marionville Police Department	
309	Marquand Police Department	
310	Marshall Police Department	
311	Marshfield Police Department	
312	Marston Police Department	
313	Martinsburg Police Department	
314	Matthews Police Department	
315	Maysville Police Department	
316	McDonald County Sheriff's Office	
317	Memphis Police Department	
318	Mercer County Sheriff's Office	
319	Merriam Woods Police Department	
320	Metropolitan Community College Campus Police	
321	Mexico Police Department	
322	Mid-Missouri Drug Task Force	
323	Milan Police Department	
324	Miller County Sheriff's Office	
325	Miller Police Department	
326	Miner Police Department	
327	Mineral Area College Department of Public Safety	
328	Mississippi County Sheriff's Office	
329	Missouri Capitol Police	
330	Missouri Department Natural Resources Park Rangers	
331	Missouri Department of Conservation	
332	Missouri Department of Revenue	
333	Missouri Division of Alcohol and Tobacco Control	
334	Missouri Division of Fire Safety	
335	Missouri Social Services State Technical Assistance Team (STAT)	
336	Missouri Southern State University (MSSU) Police Department	
337	Missouri University of Science & Technology Police Department	
338	Missouri Western Department of Public Safety	
339	Moline Acres Police Department	
340	Moniteau County Sheriff's Office	
341	Monroe City Police Department	
342	Monroe County Sheriff's Office	
343	Montgomery City Police Department	
344	Montgomery County Sheriff's Office	
345	Morehouse Police Department	
346	Morgan County Sheriff's Office	
347	Morley Police Department	
348	Moscow Mills Police Department	
349	Mound City Police Department	
350	Mount Vernon Police Department	
351	Mountain Grove Police Department	
352	Mountain View Police Department	
353	Napoleon Police Department	
354	Naylor Police Department	A
355	Neosho Police Department	
356	Nevada Police Department	
357	New Bloomfield Police Department	
358	New Florence Police Department	
359	New Franklin Police Department	
360	New Haven Police Department	

Appendix C
Compilation of 2018 Federal Forfeiture Reports
Law Enforcement Agencies Not Filing a 2018 ACA Form - Equitable Sharing Agreement and Certification*

	Name	
361	New London Police Department	
362	New Madrid County Sheriff's Office	
363	New Madrid Police Department	
364	Newburg Police Department	
365	Newton County Sheriff's Office	
366	Niangua Police Department	
367	Nodaway County Sheriff's Office	
368	Noel Police Department	
369	Norborne Police Department	
370	Norfolk Southern Railroad Police Department	
371	North Kansas City Police Department	
372	Northmoor Police Department	
373	Northwest Missouri State University Police Department	
374	Northwoods Police Department	
375	Oak Grove Police Department	
376	Oakview Police Department	
377	Odessa Police Department	
378	Old Monroe Police Department	
379	Olivette Police Department	
380	Oran Police Department	
381	Oregon County Sheriff's Office	
382	Oregon Police Department	
383	Oronogo Police Department	
384	Orrick Police Department	
385	Osage Beach Police Department	
386	Osage County Sheriff's Office	
387	Otterville Police Department	
388	Owensville Police Department	
389	Ozark County Sheriff's Office	
390	Ozark Police Department	
391	Pacific Police Department	
392	Pagedale Police Department	
393	Palmyra Police Department	
394	Parkville Police Department	
395	Parma Police Department	
396	Perry Police Department	
397	Perryville Police Department	
398	Pevely Police Department	
399	Piedmont Police Department	
400	Pierce City Police Department	
401	Pike County Sheriff's Office	
402	Pilot Grove Police Department	
403	Pilot Knob Police Department	
404	Pineville Police Department	
405	Platte City Police Department	
406	Platte Woods Police Department	
407	Plattsburg Police Department	
408	Pleasant Hill Police Department	
409	Pleasant Hope Police Department	
410	Polk County Sheriff's Office	
411	Polo Police Department	
412	Poplar Bluff Police Department	
413	Portageville Police Department	
414	Potosi Police Department	
415	Prairie Home Police Department	
416	Purdy Police Department	
417	Putnam County Sheriff's Office	
418	Puxico Police Department	
419	Queen City Police Department	
420	Qulin Police Department	
421	Ralls County Sheriff's Office	
422	Randolph County Sheriff's Office	
423	Ray County Sheriff's Office	
424	Raymore Police Department	
425	Reeds Spring Police Department	
426	Republic Police Department	
427	Reynolds County Sheriff's Office	
428	Rich Hill Police Department	
429	Richland Police Department	
430	Richmond Police Department	
431	Risco Police Department	
432	Riverside Police Department	
433	Riverview Police Department	
434	Rock Port Police Department	
435	Rockaway Beach Police Department	
436	Rogersville Police Department	
437	Rosebud Police Department	
438	Rutledge Police Department	
439	Salem Police Department	
440	Saline County Sheriff's Office	
441	Salisbury Police Department	
442	Sarcoxie Police Department	
443	Savannah Police Department	
444	Schuyler County Sheriff's Office	
445	Scotland County Sheriff's Office	
446	Scott City Police Department	
447	Scott County Sheriff's Office	
448	Seligman Police Department	
449	Senath Police Department	
450	Seneca Police Department	
451	Seymour Police Department	
452	Shannon County Sheriff's Office	
453	Shelbina Police Department	
454	Shelby County Sheriff's Office	
455	Shrewsbury Police Department	
456	Silex Police Department	
457	Slater Police Department	
458	Smithton Police Department	
459	Smithville Police Department	
460	Southeast Missouri State University Department of Public Safety	
461	Southwest City Police Department	
462	Sparta Police Department	
463	Springfield-Branson National Airport Police Department	
464	St. Charles City Parks & Recreation	
465	St. Charles County Community College Department of Public Safet	
466	St. Charles County Department of Corrections	
467	St. Charles County Sheriff's Office	
468	St. Charles Police Department	
469	St. Clair County Sheriff's Office	
470	St. Clair Police Department	
471	St. James Police Department	
472	St. Louis Community College Police Department	
473	St. Louis County Police Department	
474	St. Louis County Sheriffs Office	
475	St. Louis County Drug Task Force	
476	St. Mary Police Department	
477	Stanberry Police Department	A
478	Ste. Genevieve Police Department	
479	Steele Police Department	
480	Steelville Police Department	

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Law Enforcement Agencies Not Filing a 2018 ACA Form - Equitable Sharing Agreement and Certification*

	Name		Name	
481	Stewartsville Police Department	517	Vandalia Police Department	
482	Stoddard County Sheriff's Office	518	Vanduser Police Department	
483	Stone County Sheriff's Office	519	Velda City Police Department	
484	Stover Police Department	520	Verona Police Department	
485	Strafford Police Department	521	Versailles Police Department	
486	Strasburg Police Department	522	Viburnum Police Department	
487	Sturgeon Police Department	523	Vienna Police Department	
488	Sugar Creek Police Department	524	Village of Miramiguoa	
489	Sullivan County Sheriff's Office	525	Vinita Park Police Department	
490	Sullivan Police Department	526	Walker Police Department	A
491	Summersville Police Department	527	Walnut Grove Police Department	
492	Sunrise Beach Police Department	528	Wardell Police Department	
493	Supreme Court of Missouri	529	Warrenton Police Department	
494	Sweet Springs Police Department	530	Warsaw Police Department	
495	Tarkio Police Department	531	Warson Woods Police Department	
496	Terminal Railroad	532	Washburn Police Department	
497	Terre du Lac Police Department	533	Washington County Sheriff's Office	
498	Texas County Sheriff's Office	534	Washington Police Department	
499	Thayer Police Department	535	Washington University Police Department	
500	Tipton Police Department	536	Waynesville Police Department	
501	Town and Country Police Department	537	Weatherby Lake Police Department	
502	Tracy Police Department	538	Webb City Police Department	
503	Trenton Police Department	539	Webster County Sheriff's Office	
504	Trimble Police Department	540	Wellington Police Department	
505	Truesdale Police Department	541	Wellsville Police Department	
506	Truman State University	542	West Sullivan Police Department	
507	Union Pacific Railroad	543	Weston Police Department	
508	Union Police Department	544	Wheaton Police Department	
509	Unionville Police Department	545	Williamsville Police Department	
510	University City Police Department	546	Willow Springs Police Department	
511	University of Central Missouri Department of Public Safety	547	Winfield Police Department	
512	University of Missouri Kansas City Police Department	548	Winona Police Department	
513	University of Missouri Police Department (MUPD)	549	Worth County Sheriff's Office	
514	University of Missouri St. Louis Police Department	550	Wright City Police Department	
515	Urbana Police Department	551	Wright County Sheriff's Office	
516	Van Buren Police Department			

A Officials from the political subdivision reported this law enforcement agency did not operate in 2018.

* The law requires filing if an agency participates in the federal forfeiture system. If these agencies did not participate, the lack of filing a report does not constitute noncompliance.

Office of Missouri State Auditor

Nicole Galloway, CPA

State of Missouri
Single Audit
Year Ended June 30, 2018

Report No. 2019-021
March 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Fiscal Year 2018 Statewide Single Audit

Background

A single audit requires an audit of the state's financial statements and expenditures of federal awards. The state spent approximately $12.5 billion in federal awards through 302 different federal programs during the fiscal year ended June 30, 2018. Our Single Audit involved audit work on 15 major federal programs administered by 8 state agencies, with expenditures totaling approximately $9.8 billion. The audit reported 3 financial statement findings and 15 federal award findings, and related recommendations. The federal award findings related to 9 major federal programs at 4 state agencies. Of these audit findings, 6 have been repeated from prior Single Audits for 2 to 8 years. Several of these findings are summarized below.

Department of Revenue Financial Reporting Controls

The Department of Revenue did not have adequate controls and procedures over financial reporting of sales and use tax accounts receivables following the implementation of a new computerized system in September 2017. As a result, sales and use tax accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the state's financial statements for the year ended June 30, 2018, was misstated. In addition, the data was not submitted to the DOA timely.

Adoption Assistance Eligibility

As noted in the four previous audits of the Adoption Assistance program, the Department of Social Services (DSS) controls over eligibility are not sufficient to prevent and/or detect payments made on behalf of ineligible children. The DSS - Children's Division made payments on behalf of 8 ineligible children and could not provide documentation to demonstrate that another child met the various program eligibility requirements. Total known questioned costs for these errors represent approximately 18 percent of payments reviewed.

Department of Social Services Public Assistance Cost Allocation Plan

DSS - Division of Finance and Administrative Services (DFAS) controls over cost allocation are not sufficient to ensure administrative costs are accurately allocated to various federal programs in accordance with the proposed public assistance cost allocation plan (PACAP), and the proposed PACAP did not include an estimated cost impact analysis as required by federal regulations.

Child Care Eligibility Case Reviews

The DSS did not ensure monthly supervisory case reviews were completed as required for Family Support Division (FSD) eligibility specialists who perform eligibility determinations of households participating in the Child Care Development Fund (Child Care) subsidy program.

Child Care Payments

As noted in our prior eight audit reports, DSS controls over Child Care subsidy provider payments are not sufficient to prevent and/or detect improper payments to child care providers. Documentation was not adequate to support payments for 9 of 60 cases reviewed (15 percent).

Child Care Provider Monitoring

As noted in our prior two audit reports, the DSS's procedures to follow up on provider noncompliance identified during Child Care Review Team reviews were not sufficient.

Foster Care Case Management Contract Payment Reviews	The DSS - DFAS has not established adequate internal controls to ensure certain Foster Care assistance payments to contractors are allowable and adequately supported.
TANF Work Participation Sanctions	As noted in our five prior audits of the Temporary Assistance for Needy Families (TANF) program, the DSS-FSD did not have adequate controls to ensure TANF program recipients who failed to meet work participation requirements were sanctioned.
VOCA Subrecipient Monitoring	The DSS - DFAS did not perform monitoring reviews in accordance with its monitoring policy for the Crime Victims Assistance program, also known as the Victims of Crime Act (VOCA) program.
MO HealthNet Division Provider Eligibility	As noted in our prior two audit reports, the DSS did not establish effective internal controls over and did not fully implement federal revalidation requirements for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). As of June 30, 2018, the DSS had not performed required revalidations for 48 percent of Medicaid and CHIP providers requiring revalidation.
Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates	As noted in our prior three audit reports, the Department of Mental Health - Division of Developmental Disabilities (DD) continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Comprehensive Waiver program. The DD did not retain documentation to support per diem rates, paid at historical rates, for 8 of the 37 individualized supported living habilitation service payments tested and 5 of the 15 group home habilitation service payments tested. The federal share of payments to providers for habilitation services provided to these 13 participants totaled $732,022 during state fiscal year 2018.
State Emergency Management Agency Subrecipient Monitoring, Audits and Awards	The State Emergency Management Agency (SEMA) did not perform all required subrecipient risk assessments, perform monitoring reviews in accordance with its monitoring policy, or monitor subrecipient compliance with cash management requirements for the Public Assistance (PA) program. In addition, the SEMA has not established adequate controls to follow up on subrecipient audit findings of the PA program or to ensure all required award information is communicated to the subrecipients.
MoDOT Project Closeouts and Final Vouchers	The Missouri Department of Transportation (MoDOT)'s procedures related to preparation and review of Highway Planning and Construction program project closeouts and final vouchers were not sufficient to ensure the proper reporting of total project costs. As a result, the MoDOT incorrectly reported the costs of 2 projects, causing a $19,432 overstatement of the federal share of costs for one project and an incorrect allocation of local entity matching funds for another project.

Because of the nature of this audit, no rating is provided.

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Common Abbreviations

CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CSR	Code of State Regulations
OMB	Office of Management and Budget
RSMo	Missouri Revised Statutes
SAM II	Statewide Advantage for Missouri
USC	United States Code

State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2018

Introduction

The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards. The Office of Management and Budget (OMB) issued Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) to set forth uniform cost principles and audit requirements for federal awards to nonfederal entities and administrative requirements for all federal grants and cooperative agreements.

A single audit under the Uniform Guidance requires an audit of the state's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.
- The schedule of expenditures of federal awards is stated fairly in all material respects in relation to the financial statements as a whole.
- The state has adequate internal controls to ensure compliance with federal award requirements.
- The state has complied with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each of its major federal programs.
- The summary schedule of prior audit findings prepared by the state materially represents the status of the prior audit findings.

The Single Audit report includes the federal awards expended by all state agencies that are part of the primary government. The report does not include the public universities and other component units, which are legally separate from the state and audited by other auditors. The state expended approximately $12.5 billion in federal awards during the state fiscal year ended June 30, 2018.

Summary of Single Audit Results

The following is the summary of our Single Audit results for the state fiscal year ended June 30, 2018.

Financial Statements

We issued our audit report (Report No. 2019-003[1]) of the state's Comprehensive Annual Financial Report (CAFR), as of and for the year ended June 30, 2018, on January 24, 2019. The state's financial statements covered approximately $43 billion in total assets and approximately $27 billion in total expenses for state fiscal year 2018. Our report expressed qualified opinions on the governmental activities and the General Fund because we were not allowed access to tax returns and related source documents for income taxes. Our report expressed unmodified opinions on all remaining opinion units.

We reported three findings related to internal control deficiencies. These findings were at the Department of Revenue, the Department of Corrections, and the Department of Social Services. We consider these findings to be significant deficiencies. The state agencies' responses to the findings are included in this report. The agencies prepared a Corrective Action Plan (CAP) for each finding. The CAPs were submitted to the Office of Administration (OA) and are in the Corrective Action Plans section of this report.

Federal Awards

We issued our report on the accompanying Schedule of Expenditures of Federal Awards (SEFA). The state's SEFA, which does not include federal award expenditures of the public universities and other component units, reported the state expended approximately $12.5 billion in federal funds in state fiscal year 2018. Our report expressed the opinion that the SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We audited 15 major federal programs with expenditures totaling approximately $9.8 billion, administered by 8 state agencies.

We issued a qualified opinion on 3 major federal programs and an unmodified opinion on 12 major federal programs. A qualified opinion is issued when the audit of a major federal program detects material noncompliance with direct and material compliance requirements. A qualified opinion was issued on the following major programs administered by the Department of Social Services:

Adoption Assistance
Children's Health Insurance Program
Medicaid Cluster

[1] Available on the Missouri State Auditor's Office website: <http://auditor.mo.gov>.

In total, we reported 15 audit findings related to 9 major federal programs at 4 state agencies. We identified over $780,000 in known questioned costs related to federal awards. Of the 15 audit findings, 6 were repeated from prior Single Audits. These findings have been repeated for 2 to 8 years.

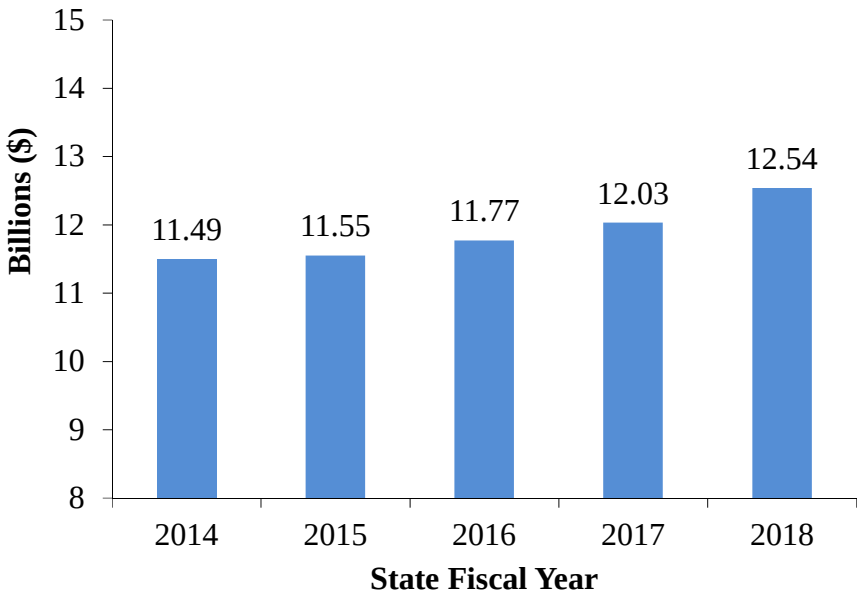
Of the 15 federal award audit findings, 14 related to internal control deficiencies. We consider 2 findings of internal control deficiencies to be material weaknesses and 12 to be significant deficiencies.

The state agencies' responses to the audit findings are included in this report. The state agencies prepared a CAP for each audit finding and submitted them to the OA. They are presented in the Corrective Action Plans section of this report.

In addition, the state agencies prepared and submitted to the OA the status of the prior audit findings. They are presented in the Summary Schedule of Prior Audit Findings section of this report.

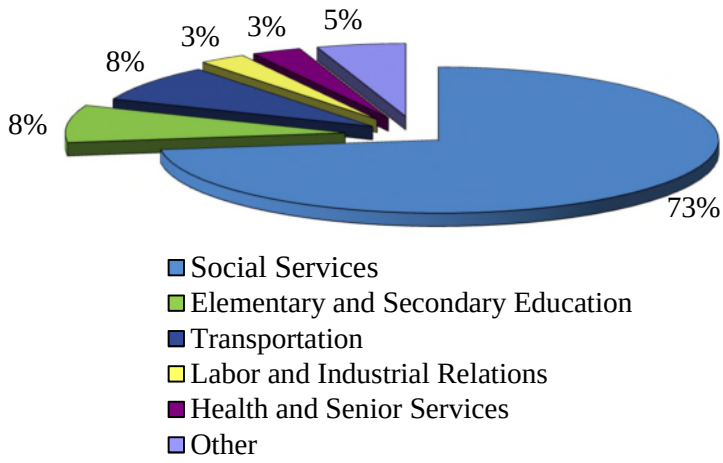
Expenditures of federal awards have increased each year over the past 5 years.

Total Expenditures of Federal Awards
5 Year Comparison



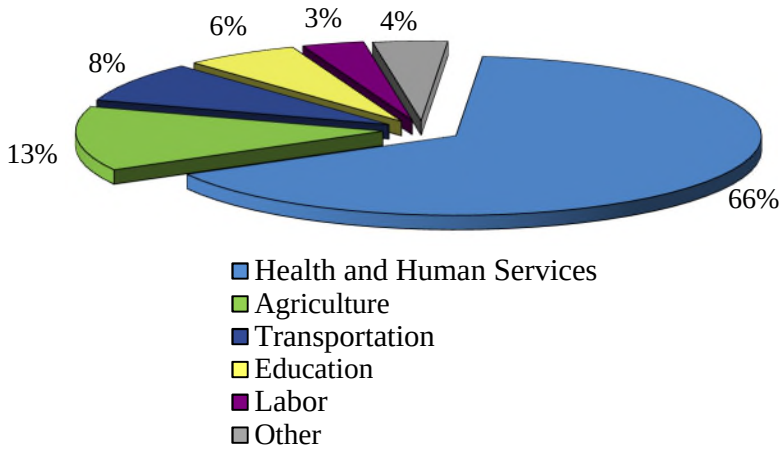
Of the 20 state agencies and other state offices that expended federal awards, 5 state agencies spent the majority of the awards (95 percent) during state fiscal year 2018.

Expenditures of Federal Awards by State Agency



The state expended federal awards received from 23 different federal agencies. Most of the federal award expenditures (96 percent) were from programs of 5 federal agencies.

Expenditures of Federal Awards by Federal Agency

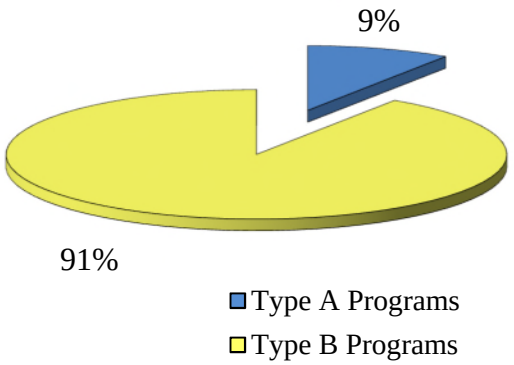


Overall, the state expended federal awards in 302 different programs. These programs are listed in the accompanying Schedule of Expenditures of Federal Awards.

The Uniform Guidance requires federal programs to be labeled Type A programs or Type B programs based on a dollar threshold. For the state of Missouri, the Uniform Guidance defines the dollar threshold as $30 million since the federal award expenditures exceeded $10 billion, but were less than or equal to $20 billion.

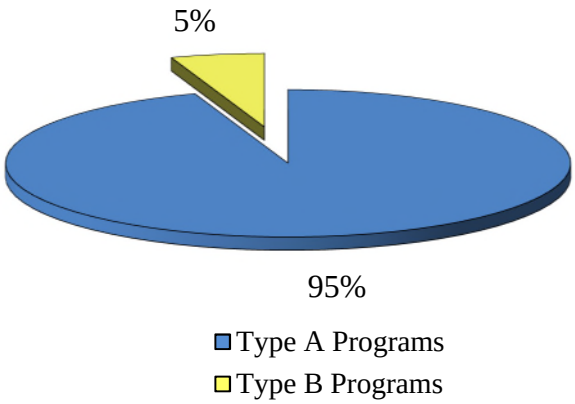
Programs with federal award expenditures over $30 million are Type A programs and programs with federal award expenditures under $30 million are Type B programs. Of the 302 federal award programs, 28 were Type A programs and 274 were Type B programs.

Type A and Type B Programs
Number of Programs



The 28 Type A programs had expenditures totaling approximately $11.9 billion, or 95 percent of total expenditures. The 274 Type B programs had expenditures totaling approximately $671 million, or 5 percent of total expenditures.

Type A and Type B Programs
Expenditures of Federal Awards



The Uniform Guidance requires the auditor to perform risk assessments on Type A programs and to audit as major each Type A program assessed as high risk based on specified risk factors. We performed a risk assessment on each Type A program and determined 14 of the 28 Type A programs were low risk and did not need to be audited as major. In accordance with the Uniform Guidance, we audited as major the 14 Type A programs assessed as high risk.

The Uniform Guidance also requires the auditor to perform risk assessments on larger Type B programs to determine which are high risk and need to be audited as major. The dollar threshold to determine the larger Type B programs is 25 percent of the Type A threshold, or $7.5 million. We performed risk assessments on the 22 larger Type B programs and determined 1 program was high risk. In accordance with the Uniform Guidance, we audited the program as major.

The programs audited as major are listed in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. We audited 78 percent of total state fiscal year 2018 federal expenditures.

Major and Non-major Federal Programs

Type of Programs	Number of Programs		Expenditures	Percentage of Expenditures
Programs Audited				
Type A major programs	14	$	9,811,504,354	
Type B major programs	1		8,972,135	
Total major programs	15		9,820,476,489	78%
Programs not Audited				
Type A non-major programs	14		2,053,150,978	
Type B non-major programs	273		661,794,175	
Total non-major programs	287		2,714,945,153	22%
Total programs	302	$	12,535,421,642	100%

Correspondence with State Agencies

The Department of Revenue's delays in preparing and submitting to the OA, the Accounts Receivable survey form for various funds (as discussed in finding number 2018-001) led to delays in completing the CAFR audit. See Appendix for a copy of the letter to the OA regarding these delays.

State of Missouri
Summary of Type A Programs and Total Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	$ 1,080,020,920
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	46,043,880
	Total SNAP Cluster		1,126,064,800
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	78,235,549
10.555	National School Lunch Program	Agriculture	242,849,827
10.556	Special Milk Program for Children	Agriculture	410,288
10.559	Summer Food Service Program for Children	Agriculture	14,992,282
	Total Child Nutrition Cluster		336,487,946
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	76,646,380
10.558	Child and Adult Care Food Program	Agriculture	57,643,697
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	38,225,896
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	41,663,403
16.575	Crime Victim Assistance	Justice	36,465,046
17.225	Unemployment Insurance	Labor	336,301,679
	WIOA Cluster:		
17.258	WIOA Adult Program	Labor	13,648,347
17.259	WIOA Youth Activities	Labor	13,974,934
17.278	WIOA Dislocated Worker Formula Grants	Labor	13,908,365
	Total WIOA Cluster		41,531,646
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	944,714,438
20.219	Recreational Trails Program	Transportation	2,498,856
20.224	Federal Lands Access Program	Transportation	1,635,556
	Total Highway Planning and Construction Cluster		948,848,850
64.015	Veterans State Nursing Home Care	Veterans Affairs	74,391,680
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	43,882,557
	Total Clean Water State Revolving Fund Cluster		43,882,557
84.010	Title I Grants to Local Educational Agencies	Education	235,281,813
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	Education	227,042,369
84.173	Special Education Preschool Grants	Education	5,791,746
	Total Special Education Cluster (IDEA)		232,834,115
84.032	Federal Family Education Loans	Education	87,395,370
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Education	72,151,866
84.367	Supporting Effective Instruction State Grant	Education	36,163,097
93.268	Immunization Cooperative Agreements	Health and Human Services	67,474,858
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	Health and Human Services	174,274,205
	Total TANF Cluster		174,274,205
93.568	Low-Income Home Energy Assistance	Health and Human Services	69,702,260
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	Health and Human Services	60,673,662
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	58,783,801
	Total CCDF Cluster		119,457,463
93.658	Foster Care Title IV-E	Health and Human Services	66,369,397
93.659	Adoption Assistance	Health and Human Services	39,576,227
93.667	Social Services Block Grant	Health and Human Services	51,510,348
93.767	Children's Health Insurance Program	Health and Human Services	258,436,572

State of Missouri
Summary of Type A Programs and Total Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,728,764
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	18,956,803
93.778	Medical Assistance Program	Health and Human Services	7,084,850,461
	Total Medicaid Cluster		7,105,536,028
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	Social Security Administration	44,655,213
	Total Disability Insurance/SSI Cluster		44,655,213
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security	45,682,920
	Total Type A Programs (expenditures greater than $30,000,000)		11,864,655,332
	Total Type B Programs (expenditures less than $30,000,000)		670,766,310
	Total Expenditures of Federal Awards		$ 12,535,421,642

NICOLE GALLOWAY, CPA
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 24, 2019. Our report expressed qualified opinions on the governmental activities and the General Fund, a major fund, because we were not allowed access to tax returns and related source documents for income taxes. Approximately 28 percent of governmental activity revenues and 33 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded. Our report expressed unmodified opinions on all remaining opinion units.

Our report on the state of Missouri's financial statements includes a reference to other auditors who audited the financial statements of:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Conservation Employees' Insurance Plan; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 77 percent of the assets and 11 percent of the revenues of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 12 percent of the assets and 73 percent of the revenues of the business-type activities.

3. The aggregate discretely presented component units.

4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the state of Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state's internal control. Accordingly, we do not express an opinion on the effectiveness of the state's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questions Costs as finding numbers 2018-001 through 2018-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the state of Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

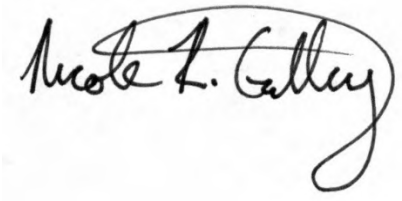
State's Responses to Findings

The state of Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the state's Corrective Action Plans. The

state's responses were not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.



Nicole R. Galloway, CPA
State Auditor

January 24, 2019

NICOLE GALLOWAY, CPA
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

Report on Compliance for Each Major Federal Program

We have audited the state of Missouri's compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the state's major federal programs for the year ended June 30, 2018. The state of Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

The state of Missouri's basic financial statements include the operations of the public universities and other component units, which may have expended federal awards, and which are not included in the state's Schedule of Expenditures of Federal Awards during the year ended June 30, 2018. Our audit, described below, did not include the operations of these component units because federal awards administered by the component units are the subject of audits completed by other auditors, if required.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the state of Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the state's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for each major federal program. However, our audit does not provide a legal determination of the state's compliance.

Basis for Qualified Opinion on Certain Major Federal Programs

As described in the accompanying Schedule of Findings and Questioned Costs, the state of Missouri did not comply with requirements regarding the following:

Finding Number	CFDA Number(s)	Program (or Cluster) Name	Compliance Requirement(s)
2018-004	93.659	Adoption Assistance	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility
2018-013	93.767 93.775 93.777 93.778	Children's Health Insurance Program and Medicaid Cluster	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Special Tests and Provisions

Compliance with such requirements is necessary, in our opinion, for the state of Missouri to comply with the requirements applicable to these programs.

Qualified Opinion on Certain Major Federal Programs

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Adoption Assistance program, the Children's Health Insurance Program, and the Medicaid Cluster for the year ended June 30, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2018-005, 2018-007, 2018-009 through 2018-011, and 2018-014 through 2018-018. Our opinion on each major federal program is not modified with respect to these matters.

The state of Missouri's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the state's Corrective Action Plans. The state's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the state of Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning

and performing our audit of compliance, we considered the state's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over compliance.

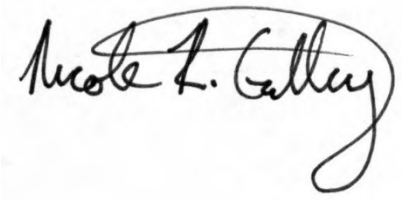
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2018-004 and 2018-013 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2018-005 through 2018-012 and 2018-015 through 2018-018 to be a significant deficiencies.

The state of Missouri's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and the Corrective Action Plans. The state's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.



Nicole R. Galloway, CPA
State Auditor

March 13, 2019

NICOLE GALLOWAY, CPA
Missouri State Auditor

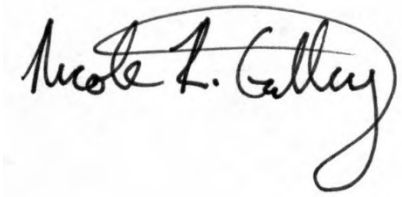
INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the state's basic financial statements. We issued our report thereon dated January 24, 2019, which contained qualified opinions on the governmental activities and the General Fund, a major fund, because we were not allowed access to tax returns and related source documents for income taxes. Our report expressed unmodified opinions on all remaining opinion units.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the audit procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report is solely to provide an opinion on the Schedule of Expenditures of Federal Awards in relation to the basic financial statements as a whole based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.



Nicole R. Galloway, CPA
State Auditor

January 24, 2019

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Agriculture			
10.U01	School Lunch Commodity Refund	$ 24,964	$ 24,964
10.025	Plant and Animal Disease, Pest Control, and Animal Care	731,767	0
10.028	Wildlife Services	10,000	0
10.069	Conservation Reserve Program	380,838	0
10.093	Voluntary Public Access and Habitat Incentive Program	132,425	0
10.117	Biofuel Infrastructure Partnership	811,151	811,151
10.153	Market News	9,000	0
10.163	Market Protection and Promotion	63,605	0
10.170	Specialty Crop Block Grant Program - Farm Bill	514,627	474,441
10.171	Organic Certification Cost Share Programs	92,732	0
10.304	Homeland Security Agricultural	33,853	0
10.435	State Mediation Grants	23,148	0
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,016,850	0
10.479	Food Safety Cooperative Agreements	221,066	0
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	1,080,020,920	0
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	46,043,880	12,757,287
	Total SNAP Cluster	1,126,064,800	12,757,287
	Child Nutrition Cluster:		
10.553	School Breakfast Program	78,235,549	78,235,549
10.555	National School Lunch Program	242,849,827	242,849,827
10.556	Special Milk Program for Children	410,288	410,288
10.559	Summer Food Service Program for Children	14,992,282	14,374,205
	Total Child Nutrition Cluster	336,487,946	335,869,869
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	76,646,380	23,103,368
10.558	Child and Adult Care Food Program	57,643,697	56,957,171
10.560	State Administrative Expenses for Child Nutrition	5,385,128	2,192,129
	Food Distribution Cluster:		
10.565	Commodity Supplemental Food Program	7,484,447	1,744,482
10.568	Emergency Food Assistance Program (Administrative Costs)	1,580,142	1,501,346
10.569	Emergency Food Assistance Program (Food Commodities)	10,023,426	0
	Total Food Distribution Cluster	19,088,015	3,245,828
10.574	Team Nutrition Grants	377,683	43,736
10.578	WIC Grants To States (WGS)	1,752,660	66,617
10.579	Child Nutrition Discretionary Grants Limited Availability	580,715	264,698
10.582	Fresh Fruit and Vegetable Program	3,119,110	3,119,110
10.664	Cooperative Forestry Assistance	1,518,653	577,504
	Forest Service Schools and Roads Cluster:		
10.665	Schools and Roads - Grants to States	3,238,321	3,238,321
	Total Forest Service Schools and Roads Cluster	3,238,321	3,238,321
10.680	Forest Health Protection	7,329	0
10.902	Soil and Water Conservation	542,274	512,733
10.932	Regional Conservation Partnership Program	1,577,714	1,574,063
Total Department of Agriculture		1,638,096,451	444,832,990
Department of Commerce			
11.550	Public Telecommunications Facilities Planning and Construction	206,928	0
Total Department of Commerce		206,928	0

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Defense			
12.U01	Excess Property Program	673,047	0
12.U02	Troops to Teachers	20,807	0
12.112	Payments to States in Lieu of Real Estate Taxes	1,435,503	1,435,503
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	764,030	0
12.401	National Guard Military Operations and Maintenance (O&M) Projects	38,225,896	0
12.620	Troops to Teachers Grant Program	116,759	0
Total Department of Defense		41,236,042	1,435,503
Department of Housing and Urban Development			
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	41,663,403	40,876,785
14.231	Emergency Solutions Grant Program	2,114,403	2,110,078
14.238	Shelter Plus Care	313,882	0
14.241	Housing Opportunities for Persons with AIDS	854,134	854,134
14.267	Continuum of Care Program	11,783,925	0
14.401	Fair Housing Assistance Program State and Local	218,573	0
14.416	Education and Outreach Initiatives	45,037	0
Total Department of Housing and Urban Development		56,993,357	43,840,997
Department of the Interior			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	152,792	0
15.252	Abandoned Mine Land Reclamation (AMLR)	2,784,427	0
15.438	National Forest Acquired Lands	2,267,204	2,267,204
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration	7,568,352	492,190
15.611	Wildlife Restoration and Basic Hunter Education	19,853,994	1,353,224
	Total Fish and Wildlife Cluster	27,422,346	1,845,414
15.608	Fish and Wildlife Management Assistance	143,661	0
15.615	Cooperative Endangered Species Conservation Fund	200,158	58,113
15.616	Clean Vessel Act	15,496	15,496
15.634	State Wildlife Grants	989,687	0
15.657	Endangered Species Conservation – Recovery Implementation Funds	2,948	0
15.658	Natural Resource Damage Assessment and Restoration	11,166	0
15.808	U.S. Geological Survey Research and Data Collection	49,994	0
15.810	National Cooperative Geologic Mapping	184,329	0
15.814	National Geological and Geophysical Data Preservation	39,958	0
15.819	Energy Cooperatives to Support the National Energy Resources Data System	1,515	0
15.904	Historic Preservation Fund Grants-In-Aid	782,248	61,692
15.916	Outdoor Recreation Acquisition, Development and Planning	1,585,228	746,596
15.978	Upper Mississippi River Restoration Long Term Resource Monitoring	344,687	0
15.980	National Ground-Water Monitoring Network	67,863	0
15.981	Water Use and Data Research	32,807	0
Total Department of the Interior		37,078,514	4,994,515
Department of Justice			
16.U01	Violent Offender Task Force	9,398	0
16.U02	FBI Joint Terrorism Task Force	39,311	0
16.017	Sexual Assault Services Formula Program	239,309	208,360
16.523	Juvenile Accountability Block Grants	18,566	18,566
16.540	Juvenile Justice and Delinquency Prevention	509,190	339,812
16.554	National Criminal History Improvement Program (NCHIP)	1,225,596	1,206,333
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	161,359	87,651
16.575	Crime Victim Assistance	36,465,046	35,934,326

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
16.576	Crime Victim Compensation	2,230,700	2,230,700
16.585	Drug Court Discretionary Grant Program	134,331	0
16.588	Violence Against Women Formula Grants	1,995,389	1,903,333
16.593	Residential Substance Abuse Treatment for State Prisoners	172,440	163,261
16.606	State Criminal Alien Assistance Program	40,310	0
16.710	Public Safety Partnership and Community Policing Grants	259,916	0
16.734	Special Data Collections and Statistical Studies	264,164	0
16.738	Edward Byrne Memorial Justice Assistance Grant Program	3,792,593	2,986,476
16.741	DNA Backlog Reduction Program	526,532	0
16.750	Support for Adam Walsh Act Implementation Grant Program	64,678	0
16.813	NICS Act Record Improvement Program	789,041	698,989
16.816	John R. Justice Prosecutors and Defenders Incentive Act	10,837	9,384
16.827	Justice Reinvestment Initiative	39,394	0
Total Department of Justice		48,988,100	45,787,191
Department of Labor			
17.002	Labor Force Statistics	989,724	0
17.005	Compensation and Working Conditions	261,784	0
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	13,161,683	0
17.801	Disabled Veterans' Outreach Program (DVOP)	2,237,897	0
17.804	Local Veterans' Employment Representative Program	1,047,884	0
	Total Employment Service Cluster	16,447,464	0
17.225	Unemployment Insurance	336,301,679	0
17.235	Senior Community Service Employment Program	1,869,101	1,830,842
17.245	Trade Adjustment Assistance	5,517,849	0
	WIOA Cluster:		
17.258	WIOA Adult Program	13,648,347	12,042,187
17.259	WIOA Youth Activities	13,974,934	12,949,004
17.278	WIOA Dislocated Worker Formula Grants	13,908,365	11,327,224
	Total WIOA Cluster	41,531,646	36,318,415
17.261	WIOA Pilots, Demonstrations, and Research Projects	32,785	0
17.271	Work Opportunity Tax Credit Program (WOTC)	301,853	0
17.273	Temporary Labor Certification for Foreign Workers	166,784	0
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	2,117,416	2,080,885
17.280	WIOA Dislocated Worker National Reserve Demonstration Grants	690,716	690,716
17.285	Apprenticeship USA Grants	886,930	874,446
17.504	Consultation Agreements	1,346,639	0
17.600	Mine Health and Safety Grants	394,202	0
Total Department of Labor		408,856,572	41,795,304
Department of Transportation			
20.106	Airport Improvement Program	29,073,605	29,073,605
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	944,714,438	108,159,418
20.219	Recreational Trails Program	2,498,856	1,536,892
20.224	Federal Lands Access Program	1,635,556	1,274,152
	Total Highway Planning and Construction Cluster	948,848,850	110,970,462
20.218	Motor Carrier Safety Assistance	4,118,411	0
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	569,687	0

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
20.240	Fuel Tax Evasion - Intergovernmental Enforcement Effort	44,584	0
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants	2,625,865	2,625,865
	Federal Transit Cluster:		
20.500	Federal Transit Capital Investment Grants	42,325	42,325
20.526	Bus and Bus Facilities Formula Program	2,226,786	2,226,786
	Total Federal Transit Cluster	2,269,111	2,269,111
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	389,146	261,980
20.509	Formula Grants for Rural Areas	19,284,203	18,522,006
	Transit Services Programs Cluster:		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	5,131,242	4,958,499
20.516	Job Access and Reverse Commute Program	53,195	53,195
20.521	New Freedom Program	256,680	256,680
	Total Transit Services Programs Cluster	5,441,117	5,268,374
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	380,411	267,814
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	5,107,222	3,731,250
20.616	National Priority Safety Programs	4,942,224	3,537,493
	Total Highway Safety Cluster	10,049,446	7,268,743
20.607	Alcohol Open Container Requirements	3,663,801	2,948,508
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	180,133	0
20.700	Pipeline Safety Program State Base Grant	552,892	0
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	310,964	177,842
20.720	State Damage Prevention Program Grants	52,535	0
20.721	PHMSA Pipeline Safety Program One Call Grant	10,000	0
	Total Department of Transportation	1,027,864,761	179,654,310
	Equal Employment Opportunity Commission		
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	352,211	0
	Total Equal Employment Opportunity Commission	352,211	0
	General Services Administration		
39.003	Donation of Federal Surplus Personal Property	2,380,216	2,054,033
39.011	Election Reform Payments	220,572	32,169
	Total General Services Administration	2,600,788	2,086,202
	National Endowment for the Arts		
45.025	Promotion of the Arts Partnership Agreements	726,180	369,086
45.301	Museums for America	4,784	0
45.310	Grants to States	2,987,825	1,903,235
	Total National Endowments for the Arts	3,718,789	2,272,321
	Small Business Administration		
59.061	State Trade Expansion	362,649	203,083
	Total Small Business Administration	362,649	203,083

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Veterans Affairs			
64.005	Grants to States for Construction of State Home Facilities	726,098	0
64.015	Veterans State Nursing Home Care	74,391,680	0
64.024	VA Homeless Providers Grant and Per Diem Program	650,556	0
64.101	Burial Expenses Allowance for Veterans	937,557	0
64.115	Veterans Information and Assistance	484,589	0
64.203	Veterans Cemetery Grants Program	2,776,427	0
Total Department of Veterans Affairs		79,966,907	0
Environmental Protection Agency			
66.032	State Indoor Radon Grants	145,288	0
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	801,059	0
66.040	State Clean Diesel Grant Program	314,349	283,500
66.202	Congressionally Mandated Projects	1,418	0
66.204	Multipurpose Grants to States and Tribes	37,231	11,723
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	300,707	0
66.433	State Underground Water Source Protection	130,540	0
66.454	Water Quality Management Planning	559,936	144,483
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	43,882,557	36,739,160
	Total Clean Water State Revolving Fund Cluster	43,882,557	36,739,160
66.460	Nonpoint Source Implementation Grants	1,813,005	861,951
66.461	Regional Wetland Program Development Grants	99,786	78,611
	Drinking Water State Revolving Fund Cluster:		
66.468	Capitalization Grants for Drinking Water State Revolving Funds	17,285,551	9,652,369
	Total Drinking Water State Revolving Fund Cluster	17,285,551	9,652,369
66.605	Performance Partnership Grants	13,511,907	190,051
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	69,599	0
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	356,621	0
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,491,067	311,796
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	457,306	0
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	799,790	0
66.817	State and Tribal Response Program Grants	961,024	0
Total Environmental Protection Agency		83,018,741	48,273,644
Department of Energy			
81.041	State Energy Program	771,000	2,500
81.042	Weatherization Assistance for Low-Income Persons	4,914,462	4,298,362
81.092	Environmental Restoration	340,247	0
81.104	Environmental Remediation and Waste Processing and Disposal	128,942	0
81.119	State Energy Program Special Projects	67,280	63,720
81.136	Long-Term Surveillance and Maintenance	62,169	0
81.138	State Heating Oil and Propane Program	7,911	0
Total Department of Energy		6,292,011	4,364,582
Department of Education			
84.U01	Cooperative System Grant	21,183	3,162
84.002	Adult Education - Basic Grants to States	8,655,233	7,479,894
84.010	Title I Grants to Local Educational Agencies	235,281,813	233,511,317
84.011	Migrant Education State Grant Program	1,671,624	1,665,580
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,670,573	1,656,882
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	227,042,369	199,427,699
84.173	Special Education Preschool Grants	5,791,746	5,791,746
	Total Special Education Cluster (IDEA)	232,834,115	205,219,445

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
84.032	Federal Family Education Loans	87,395,370	0
84.048	Career and Technical Education - Basic Grants to States	21,842,975	20,085,108
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	72,151,866	0
84.144	Migrant Education Coordination Program	165,782	107,789
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	606,822	0
84.181	Special Education - Grants for Infants and Families	8,169,318	0
84.184	School Safety National Activities	567,949	0
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	170,034	0
84.196	Education for Homeless Children and Youth	1,533,687	1,493,121
84.224	State Grants for Technology - Related Assistance to Individuals with Disabilities	226,468	226,468
84.282	Charter Schools	34,474	29,853
84.287	Twenty-First Century Community Learning Centers	17,038,674	16,663,755
84.323	Special Education - State Personnel Development	2,300,796	2,194,540
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	71,848	0
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	212,750	0
84.358	Rural Education	3,030,312	2,865,738
84.365	English Language Acquisition State Grants	5,283,811	5,046,165
84.366	Mathematics and Science Partnerships	1,965,259	1,964,833
84.367	Supporting Effective Instruction State Grant	36,163,097	33,794,182
84.369	Grants for State Assessments and Related Activities	7,201,333	0
84.377	School Improvement Grants	5,093,531	4,863,403
84.424	Student Support Academic Enrichment Program	3,650,947	3,650,947
84.902	National Assessment of Educational Progress	104,807	0
	Total Department of Education	755,116,451	542,522,182
	National Archives and Records Administration		
89.003	National Historical Publications and Records Grants	17,121	0
	Total National Archives and Records Administration	17,121	0
	Elections Assistance Commission		
90.401	Help America Vote Act Requirements Payments	76,292	0
	Total Elections Assistance Commission	76,292	0
	Department of Health and Human Services		
93.041	Special Programs for Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	94,018	58,753
93.042	Special Programs for Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	281,251	91,274
93.043	Special Programs for Aging, Title III, Part D, Disease Prevention and Health Promotion Services	327,859	309,251
	Aging Cluster:		
93.044	Special Programs for Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	8,030,394	7,692,664
93.045	Special Programs for Aging, Title III, Part C, Nutrition Services	12,970,533	12,470,134
93.053	Nutrition Services Incentive Program	4,498,865	4,498,865
	Total Aging Cluster	25,499,792	24,661,663
93.052	National Family Caregiver Support, Title III, Part E	2,920,928	2,783,844
93.069	Public Health Emergency Preparedness	10,929,350	5,614,902
93.070	Environmental Public Health and Emergency Response	1,419,276	352,622
93.071	Medicare Enrollment Assistance Program	529,619	228,510
93.073	Birth Defects and Developmental Disabilities-Prevention and Surveillance	262,617	24,159
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	1,732,854	0
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	36,531	36,531
93.090	Guardianship Assistance	7,171,121	0

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	889,999	671,778
93.093	Affordable Care Act (ACA) Health Profession Opportunity Grants	3,503,969	3,403,300
93.094	Well-Integrated Screening and Evaluation for Women Across the Nation	653,550	427,597
93.103	Food and Drug Administration Research	2,189,463	4,923
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,837,774	0
93.110	Maternal and Child Health Federal Consolidated Programs	100,709	0
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	596,184	173,062
93.127	Emergency Medical Services for Children	33,504	7,231
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	219,824	7,605
93.136	Injury Prevention and Control Research and State and Community Based Programs	1,231,595	608,380
93.150	Projects for Assistance in Transition from Homelessness (PATH)	948,135	0
93.165	Grants to States for Loan Repayment Program	262,638	262,586
93.184	Disabilities Prevention	154,439	97,340
93.234	Traumatic Brain Injury State Demonstration Grant Program	257,622	221,700
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	1,356,401	544,852
93.240	State Capacity Building	329,776	0
93.241	State Rural Hospital Flexibility Program	452,469	283,792
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	7,385,408	191,305
93.251	Universal Newborn Hearing Screening	200,897	110,506
93.268	Immunization Cooperative Agreements	67,474,858	26,722
93.270	Viral Hepatitis Prevention and Control	127,713	0
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	560,048	373,017
93.301	Small Rural Hospital Improvement Grant Program	411,157	398,241
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	849,453	103,276
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	88,090	0
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,079,105	61,841
93.324	State Health Insurance Assistance Program	862,651	0
93.336	Behavioral Risk Factor Surveillance System	33,114	0
93.369	ACL Independent Living State Grants	262,390	206,913
93.464	ACL Assistive Technology	424,598	181,208
93.500	Pregnancy Assistance Fund Program	521,492	521,492
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	551,195	16,465
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by Prevention and Public Health Funds	2,446,371	144,232
93.556	Promoting Safe and Stable Families	4,860,914	0
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	174,274,205	2,978,224
	Total TANF Cluster	174,274,205	2,978,224
93.563	Child Support Enforcement	27,746,574	10,349,967
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	3,101,883	2,056,643
93.568	Low-Income Home Energy Assistance	69,702,260	40,610,684
93.569	Community Services Block Grant	19,879,374	19,094,556
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	60,673,662	1,561,531
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	58,783,801	0
	Total CCDF Cluster	119,457,463	1,561,531
93.576	Refugee and Entrant Assistance Discretionary Grants	38,965	38,965
93.586	State Court Improvement Program	516,151	0
93.590	Community-Based Child Abuse Prevention Grants	418,726	413,059
93.597	Grants to States for Access and Visitation Programs	146,806	146,806
93.599	Chafee Education and Training Vouchers Program (ETV)	1,025,878	0
93.603	Adoption and Legal Guardianship Incentive Payments	3,789,854	0

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.609	The Affordable Care Act – Medicaid Adult Quality Grants	123,329	0
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,418,020	0
93.643	Children's Justice Grants to States	355,370	0
93.645	Stephanie Tubbs Jones Child Welfare Services Program	5,431,912	0
93.658	Foster Care Title IV-E	66,369,397	143,298
93.659	Adoption Assistance	39,576,227	0
93.667	Social Services Block Grant	51,510,348	8,715,213
93.669	Child Abuse and Neglect State Grants	736,391	0
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	1,361,028	1,355,087
93.674	Chafee Foster Care Independence Program	3,087,622	0
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance -– financed in part by the Prevention and Public Health Fund (PPHF)	333,118	215
93.735	State Public Health Approaches for Ensuring Quitline Capacity - Funded in part by Prevention and Public Health Funds (PPHF)	305,216	305,216
93.745	PPHF Health Care Surveillance/Health Statistics Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund	345,797	0
93.747	Elder Abuse Prevention Interventions Program	77,421	0
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	320,418	275,647
93.753	Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	435,713	44,301
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	868,912	437,670
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	2,652,649	1,165,164
93.767	Children's Health Insurance Program	258,436,572	0
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	1,728,764	0
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	18,956,803	0
93.778	Medical Assistance Program	7,084,850,461	1,483,902
	Total Medicaid Cluster	7,105,536,028	1,483,902
93.788	Opioid STR	8,972,135	0
93.791	Money Follows the Person Rebalancing Demonstration	6,573,053	0
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	240,348	143,680
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	351,509	351,509
93.829	Section 223 Demonstration Programs to Improve Community Mental Health Services	14,149	0
	Maternal, Infant, and Early Childhood Home Visiting Cluster:		
93.870	Maternal, Infant, and Early Childhood Home Visiting Grant Program	2,566,031	2,139,808
	Total Maternal, Infant, and Early Childhood Home Visiting Cluster	2,566,031	2,139,808
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	116,532	0
93.889	National Bioterrorism Hospital Preparedness Program	3,327,329	2,068,689
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	3,051,509	2,064,025
93.913	Grants to States for Operation of State Offices of Rural Health	185,817	28,754
93.917	HIV Care Formula Grants	16,033,105	15,484,737
93.940	HIV Prevention Activities Health Department Based	4,085,022	2,117,005
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	426,257	154,128
93.945	Assistance Programs for Chronic Disease Prevention and Control	2,034,455	1,212,646
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	172,622	0
93.958	Block Grants for Community Mental Health Services	7,422,752	0
93.959	Block Grants for Prevention and Treatment of Substance Abuse	29,526,049	0
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	1,757,372	452,965
93.982	Mental Health Disaster Assistance and Emergency Mental Health	731,282	0
93.994	Maternal and Child Health Services Block Grant to the States	12,147,778	6,969,673
Total Department of Health and Human Services		8,213,477,454	167,574,640

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Corporation for National and Community Service			
94.003	State Commissions	270,655	0
94.006	AmeriCorps	4,018,382	2,964,024
94.009	Training and Technical Assistance	120,456	1,118
	Total Corporation for National and Community Service	4,409,493	2,965,142
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	2,640,820	2,410,528
	Total Executive Office of the President	2,640,820	2,410,528
Social Security Administration			
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	44,655,213	0
	Total Disability Insurance/SSI Cluster	44,655,213	0
	Total Social Security Administration	44,655,213	0
Department of Homeland Security			
97.008	Non-Profit Security Program	87,748	87,748
97.012	Boating Safety Financial Assistance	2,060,737	0
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	268,806	0
97.029	Flood Mitigation Assistance	272,895	223,600
97.032	Crisis Counseling	432,014	432,014
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	45,682,920	44,994,548
97.039	Hazard Mitigation Grant	9,593,112	8,955,500
97.041	National Dam Safety Program	88,066	0
97.042	Emergency Management Performance Grants	6,766,784	3,517,875
97.045	Cooperating Technical Partners	6,341,049	0
97.047	Pre-Disaster Mitigation	1,169,355	1,144,188
97.067	Homeland Security Grant Program	5,617,285	4,847,102
97.088	Disaster Assistance Projects	1,015,206	967,045
	Total Department of Homeland Security	79,395,977	65,169,620
	Total Expenditures of Federal Awards	$ 12,535,421,642	$ 1,600,182,754

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

State of Missouri - Single Audit
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

1. Significant Accounting Policies

The following is a summary of the significant accounting policies used by the State of Missouri.

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (Schedule) of the State of Missouri is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the State's basic financial statements. The Uniform Guidance requires a schedule that shows total federal awards expended for each federal financial assistance program, the Catalog of Federal Domestic Assistance (CFDA) number, and the total amount provided to subrecipients from each federal program. Federal financial assistance programs that have not been assigned a CFDA number are identified as CFDA Number XX.Uxx, where XX represents the federal grantor agency and Uxx represents an unknown extension number.

The Schedule includes all federal awards expended by the State during the year ended June 30, 2018, except for those programs administered by public universities and other component units, which are legally separate from the State. They are responsible for engaging other auditors to perform audits in accordance with the Uniform Guidance, if required.

To compile the Schedule, the Office of Administration required each department, agency, and office that expended direct and/or indirect federal funding during the state fiscal year to prepare a schedule of expenditures of federal awards. The schedules for the departments, agencies, and offices were combined to form the Schedule of Expenditures of Federal Awards for the State of Missouri.

B. Basis of Presentation

The accompanying Schedule includes the federal award activity of the State of Missouri for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, which defines federal awards as federal financial assistance and cost-reimbursement contracts that non-federal entities receive or administer in the form of grants, loans, loan guarantees, non-cash assistance, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include other contracts that a federal agency uses to buy goods or services from a contractor. Because the Schedule presents only a selected portion of the operations of the State, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the State.

C. Basis of Accounting

Most expenditures presented in the Schedule are reported on the cash basis of accounting, while some are presented on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either

the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, or Indian Tribal Governments;* or the cost principles contained in the Uniform Guidance; wherein certain types of expenditures are not allowable or are limited as to reimbursement.

D. Indirect Cost Rate

The state agencies administering the federal programs presented in the Schedule did not elect to use the de minimis cost rate per the Uniform Guidance.

2. Unemployment Insurance Expenditures

The Unemployment Insurance program (CFDA No. 17.225) is administered by the Department of Labor and Industrial Relations through a unique federal-state partnership that was founded upon federal law but implemented through state law. Benefits are paid from federal funds and state unemployment taxes that are deposited into the State's account in the Federal Unemployment Trust Fund. The State's administrative expenditures incurred under this program are funded by federal grants. For the purposes of presenting the expenditures of this program in the Schedule, both state and federal funds have been considered federal awards expended. The breakdown of the State and federal portions of the total program expenditures for the fiscal year ended June 30, 2018, is as follows:

State Portion (Benefits Paid)	$291,644,438
Federal Portion (Benefits Paid)	7,201,179
Federal Portion (Administrative Costs)	37,456,062
Total Program Expenditures	$336,301,679

3. Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Rebates

The State received cash rebates from an infant formula manufacturer totaling $34,971,454 on sales of formula to participants in the WIC program (CFDA No. 10.557) administered by the Department of Health and Senior Services (DHSS). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR Section 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. The State was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

4. Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP) Prescription Drug Rebates

The State received cash rebates from drug manufacturers totaling $449,883,904 (federal share) on purchases of covered outpatient drugs for participants in the Medicaid and the CHIP (CFDA Nos. 93.778 and 93.767) administered by the Department of Social Services - MO HealthNet Division. This amount was excluded from total program expenditures. Rebate contracts with drug manufacturers are authorized by 42 USC Section 1396r-8 as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for medical assistance costs.

5. HIV Care Formula Grants Prescription Drug Rebates

The State received cash rebates from drug manufacturers totaling $36,540,462 on purchases of covered drugs for participants in the HIV Care Formula Grants program (CFDA No. 93.917) administered by the DHSS. This amount was excluded from total program expenditures. The allowable use of drug rebates is restricted by 42 USC Section 300ff-26(g). Rebates represent a reduction in expenditures previously incurred for program costs.

6. Federal Loan Guarantees

Because of the Healthcare and Education Affordability Reconciliation Act enacted March 30, 2010 (Public Law 111-152), the authority to make or ensure loans under the Federal Family Education Loans program (CFDA No. 84.032) ended June 30, 2010. The Department of Higher Education (DHE) will continue to act as the federal Department of Education's agent in fulfilling the responsibilities related to the outstanding guarantees. The original principal outstanding of all loans guaranteed by the DHE is $1,182,186,495 as of June 30, 2018. The balance of defaulted loans (including principal and accrued interest) that the federal Department of Education imposes continuing compliance requirements of the DHE is $248,718,507 as of June 30, 2018.

7. Non-cash Assistance

The Schedule contains values for non-cash assistance for several programs.

Supplemental Nutrition Assistance Program (CDFA No. 10.551) expenditures totaling $1,080,014,681 represent actual disbursements for client purchases of authorized food products through the use of the electronic benefits card program administered by the Department of Social Services - Family Support Division (DSS-FSD).

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch Program (CFDA No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled $31,320,527.

The DSS-FSD, through the Summer Food Service Program for Children (CFDA No. 10.559), provides United States Department of Agriculture (USDA)-donated foods to providers who serve free healthy meals to children and teens in low-income areas during the summer months when school is not is session. The DSS-FSD, through the Emergency Food Assistance Program (CFDA No. 10.569), provides USDA-donated foods for disaster relief and to six non-profit food banks for distribution to food pantries and community groups for feeding those in need. Distributions are valued at the federally assigned value of the product distributed and totaled $68,964 for the Summer Food Service Program for Children and $10,023,426 for the Emergency Food Assistance Program.

The DHSS distributes food commodities to low-income persons under the Commodity Supplemental Food Program (CFDA No. 10.565). Distributions

are valued at the cost of the food paid by the federal government and totaled $5,690,402.

The Department of Public Safety distributes excess federal Department of Defense (DOD) equipment to state and local law enforcement agencies under the DOD Excess Property Program (CFDA No. 12.U01). Property distributions totaled $2,995,314 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 22.47 percent of the historical cost, or $673,047.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (CFDA No. 39.003). Property distributions totaled $10,592,861 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 22.47 percent of the historical cost, or $2,380,216.

The DHSS distributes vaccines to local health agencies and other health care professionals under the Immunization Cooperative Agreements program (CFDA No. 93.268). Distributions are valued at the cost of the vaccines paid by the federal government and totaled $66,049,475.

State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Qualified

Unmodified for all opinion units except for the governmental activities and the General Fund, which were qualified.

Internal control over financial reporting:

• Material weaknesses identified?	____	yes	X	no
• Significant deficiencies identified?	X	yes	____	none reported

Noncompliance material to financial statements noted? ____ yes X no

Federal Awards

Internal control over major federal programs:

• Material weaknesses identified?	X	yes	____	no
• Significant deficiencies identified?	X	yes	____	none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified for all major programs except for the following major programs that were qualified:

CFDA Number	Name of Federal Program or Cluster
93.659	Adoption Assistance
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))? X yes ____ no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children
16.575	Crime Victim Assistance
17.225	Unemployment Insurance
	Workforce Investment Act (WIOA) Cluster:
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Worker Formula Grants
	Highway Planning and Construction Cluster:
20.205	Highway Planning and Construction
20.219	Recreational Trails Program
20.224	Federal Lands Access Program
	Special Education Cluster (IDEA):
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
	TANF Cluster:
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658	Foster Care Title IV-E
93.659	Adoption Assistance
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
93.788	Opioid STR
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish
between Type A and Type B programs: $30,000,000

Auditee qualified as a low-risk auditee? _____ yes __X__ no

Section II - Financial Statement Findings

2018-001. Department of Revenue Financial Reporting Controls

The Department of Revenue (DOR) did not have adequate controls and procedures over financial reporting of sales and use tax accounts receivables following the implementation of a new computerized system in September 2017. As a result, sales and use tax accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the *Missouri Comprehensive Annual Financial Report* (CAFR) for the year ended June 30, 2018, was misstated. In addition, the data was not submitted to the DOA timely.

Our testing of sales and use tax accounts receivable balances as of June 30, 2018, identified significant differences between the accounts receivable balances reported to the DOA and the accounts receivable balances maintained in the computerized system. Once these errors were identified and brought to the DOR's attention, DOR personnel determined the accounts receivable reports prepared from the new computerized system did not include all required data, resulting in misstated accounts receivable balances for some sales and use tax accounts. The DOR identified total gross sales and use tax accounts receivable were understated by $12.1 million.

The misstatement relates to the accounts receivable and related liability balances for several governmental and agency funds reported within various opinion units of the CAFR. However, because the misstatement was not material to the affected opinion units, the DOA made no corrections to the CAFR. In addition, the accounts receivable data, which was due to the DOA on August 15, 2018, was not submitted until December 4, 2018.

It is essential the DOR establish controls and procedures to prepare and submit accurate and timely financial reports to the DOA. The *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States, states that management is responsible for the design, implementation, and operating effectiveness of the internal control system and that control activities should be designed to achieve objectives and respond to risks. Such controls would allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements.

Recommendation

The DOR implement controls and procedures to prepare and submit accurate and timely financial reports to the DOA.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2018-002. Department of Corrections SAM II User Account Controls

The Department of Corrections (DOC) has not established adequate controls to ensure Statewide Advantage for Missouri (SAM II) Financial system users at the DOC are prevented from approving transactions they created without independent review or approval.

As of June 30, 2018, 3 SAM II Financial system user accounts had authority to enter and approve their own expenditure transactions. This authority was established in 2016 when the DOC's SAM II Security Administrator submitted SAM II Financial Agency Security Request forms to the Office of Administration (OA). These employees had access to process transactions in various funds, including the Working Capital Revolving Fund. However, the DOC did not require documented independent or supervisory reviews of the SAM II entries and approvals made by these employees. DOC officials subsequently restricted 1 employee's entry/approval authority in August 2018, after we brought the issue to their attention. They indicated the other 2 user accounts continue to need this authority to process transactions in emergency situations. However, alternative procedures could be developed for emergency situations.

Allowing users to approve their own transactions without independent review or approval increases the risk that inappropriate or unauthorized transactions may be processed. Rather than allowing such authority, the DOC should work with the OA to establish a procedure for processing transactions during emergency situations.

Recommendation

The DOC establish procedures to restrict SAM II Financial system users from approving expenditure transactions they create.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2018-003. Department of Social Services SAM II User Account Controls

The Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) has not established adequate controls to ensure Statewide Advantage for Missouri (SAM II) Financial system users at the DSS are prevented from approving transactions they created without independent review or approval.

As of June 30, 2018, 2 SAM II Financial system user accounts had authority to enter and approve their own expenditure transactions. This authority was established when the DSS's SAM II Security Administrator submitted SAM II Financial Agency Security Request forms to the Office of Administration. DSS officials indicated they were not aware the 2 employees had access to both enter and approve transactions, and subsequently removed the employees' entry/approval authority in September 2018 after we brought the issue to their attention. These employees had self-approval authority for 4 and 5 months before the authority was removed.

Allowing users to approve their own transactions without independent review or approval increases the risk that inappropriate or unauthorized transactions may be processed.

Recommendation

The DSS through the DFAS establish procedures to restrict SAM II Financial system users from approving expenditure transactions they create.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS partially agrees with the finding because the DSS has internal processes and procedures to ensure adequate separation of data entry and approval functions in the accounts payable unit. The CAP states the DSS agrees the SAM II users should not have self-approval access and the DSS plans to review a monthly report of SAM II user access rights to ensure self-approval access has not been granted to DSS users. During the audit, DSS officials agreed the 2 employees had self-approval authority, and subsequently removed those rights; therefore, the finding remains valid.

Section III - Federal Award Findings and Questioned Costs

2018-004. Adoption Assistance Eligibility

Federal Agency:	Department of Health and Human Services
Federal Program:	93.659 Adoption Assistance 2017 - G1701MOADP 2018 - G1801MOADP
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance
Questioned Costs:	$28,963

As noted in the four previous audits[2] of the Adoption Assistance program, DSS controls over eligibility are not sufficient to prevent and/or detect payments made on behalf of ineligible children. The CD made payments on behalf of 8 ineligible children and could not provide documentation to demonstrate that another child met the various program eligibility requirements. During the year ended June 30, 2018, the CD paid Adoption Assistance program benefits totaling about $55 million for over 13,400 children.

The Adoption Assistance program assists families in adopting eligible children with special needs by providing subsidy payments to adoptive parents. To be eligible to receive benefits under the program, eligibility requirements outlined at 42 USC Section 673 must be met. Among other things, the DSS is required to enter into adoption subsidy agreements with adoptive parents who receive subsidy payments on behalf of the child. The nature of services to be provided and nonrecurring expenses to be paid must be stated in the subsidy agreement as required by 45 CFR Section 1356.40 and 45 CFR Section 1356.41. Subsidized costs may include maintenance, child care, and nonrecurring adoption expenses.

The subsidy agreement must be signed and in effect prior to or at the time of the final adoption decree per federal regulations and DSS policy. The DSS Child Welfare Manual Adoption Subsidy policy requires subsidy agreements be signed by both the adoptive parents and the DFAS Director to be considered in effect. Subsidy agreements are established by case workers and reviewed by supervisors in the local offices. After the subsidy agreements are signed by the adoptive parents and reviewed and approved by local office supervisors, the agreements are sent to the Central Office Procurement Unit (formerly the Contract Management Unit (CMU)), where the DFAS

[2] *State of Missouri Single Audit*, finding numbers 2015-005, 2014-008, 2011-15, and 2009-14.

Director's (previously the CD Director's) signature is applied by Procurement Unit staff. In previous audits, the Director's signature was applied with a signature stamp but is now applied as an electronic signature.

To test compliance with these requirements, we reviewed eligibility and payment documentation for 60 children receiving Adoption Assistance. Assistance payments totaling approximately $244,600 were made on behalf of these children during the year ended June 30, 2018. We identified payments made on behalf of 8 children ineligible for Adoption Assistance benefits and 1 child for which the DSS could not locate appropriate eligibility documentation. Total known questioned costs for these errors represent approximately 18 percent of payments reviewed. If similar errors were made on the remaining population of Adoption Assistance program assistance payments, questioned costs could be significant.

Subsidy agreements not signed at the date of adoption

For 2 of the 60 cases tested (3 percent), the adoption subsidy agreement was not signed and in effect prior to or at the date of adoption.

For one case, the adoption subsidy agreement did not contain a signature from the CD Director. For the other case, the adoption subsidy agreement was not signed by all applicable parties (i.e., not in effect) until 1 month after the adoption decree. Payments totaling $5,989, made on behalf of the 2 ineligible children during the year ended June 30, 2018, were unallowable. We question the federal share, or $3,844 (approximately 64 percent). Payments for these 2 children were charged to the Adoption Assistance program from October 2007 to June 2018.

Backdated subsidy agreements

For 6 cases tested (10 percent), it appears the subsidy agreements were not signed and in effect prior to or at the date of the adoption decree because the CD Director's signature date was apparently backdated.

For these 6 cases, local office supervisors signed the agreements after the adoption date, but the CD Director's signature pre-dated the adoption, indicating the Director's signature (and, thus, the effect date of the agreement) was backdated and not in effect prior to the adoption decree. CD officials indicated backdating of subsidy agreements by CMU personnel was permissible under DSS policy prior to May 2008, and backdating was utilized because of a backlog in processing and submitting the subsidy agreements to the CMU. For these 6 cases, payments totaling $35,642 made during the year ended June 30, 2018, were unallowable. We question the federal share, or $22,903 (approximately 64 percent). Payments for these 6 children were charged to the Adoption Assistance program from October 2004 to June 2018.

In May 2008, the CD issued a policy memo prohibiting backdating of subsidy agreements. The subsidy agreements for the 6 cases noted above were

established prior to this directive. Our review of subsidy agreements established after this directive noted no instances of apparent backdating.

Federal resolutions of prior audit findings have required the DSS to pay back the costs associated with backdated subsidy agreements identified in the audits. However, the DSS has not attempted to identify all children for which the subsidy agreements were backdated, and as a result, it is likely additional children adopted prior to May 2008 are ineligible.

Incorrect eligibility determinations

For 1 case tested (2 percent), the CD could not provide adequate documentation supporting the child met the various program eligibility requirements. Our review of information in the DSS Family and Children Electronic System (FACES) found the child did not meet the eligibility requirements. Payments totaling $3,448, made on behalf of the ineligible child during the year ended June 30, 2018, were unallowable. We question the federal share, or $2,216 (approximately 64 percent). Payments for this child were charged to the Adoption Assistance program from April 2015 to June 2018.

Conclusions

The failure to implement adequate internal controls to ensure payments are only made on behalf of children that meet federal eligibility requirements and to ensure appropriate documentation supporting eligibility decisions is retained can result in federal reimbursements for ineligible children and/or unallowable costs. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the CD and the DFAS strengthen and enforce policies and procedures regarding Adoption Assistance eligibility determinations. These procedures should ensure all adoption subsidy agreements are signed and in effect prior to the adoption and ensure eligibility determinations are proper, documented, and retained. In addition, the DSS should review and correct the eligibility for the children identified in this finding.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan states the DSS partially agrees with the finding because the DSS implemented new processes in fiscal year 2008 prohibiting backdating of subsidy agreements. However, as noted in the finding, the DSS did not attempt to subsequently identify all children for which the subsidy agreements were backdated and redetermine eligibility for those children. Therefore, this finding remains valid.

2018-005. Department of Social Services Public Assistance Cost Allocation Plan

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.658 Foster Care - Title IV-E 2017 - G1701MOFOST 2018 - G1801MOFOST
	93.659 Adoption Assistance 2017 - G1701MOADP 2018 - G1801MOADP
	93.558 Temporary Assistance for Needy Families 2017 - G1702MOTANF 2018 - G1802MOTANF and G1801MOTAN3
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Type of Finding:	A - Internal Control (Significant Deficiency) B - Noncompliance

DFAS controls over cost allocation are not sufficient to ensure administrative costs are accurately allocated to various federal programs in accordance with the proposed public assistance cost allocation plan (PACAP), and the proposed PACAP did not include an estimated cost impact analysis as required by federal regulations.

The DSS is required to develop, document, and implement a PACAP in accordance with 45 CFR Sections 95.501 to 95.519. The PACAP is a narrative document outlining procedures to allocate administrative costs to the various programs administered by the DSS, and must be reviewed and approved by the DHHS - Division of Cost Allocation Services (DHHS-CAS) and various federal grantor agencies. The DSS fully revised its PACAP, effective October 1, 2017, and submitted two proposed PACAPs to the DHHS-CAS for review (for the periods October 1, 2017, to March 31, 2018, and April 1, 2018, to June 30, 2018). With the exception of one part that was approved in September 2018,[3] as of January 2019, the proposed PACAP was still under review by the DHHS-CAS. Rule 45 CFR Section 95.517 provides the DSS may claim federal financial participation under the proposed plan with the understanding that, if necessary, the DSS shall retroactively adjust its claims to the plan as subsequently approved by the DHHS-CAS.

DFAS personnel are responsible for preparing and submitting proposed PACAPs for approval and for ensuring costs are allocated in accordance with the proposed PACAP. To develop and implement the new proposed PACAP, the DSS contracted with a vendor to develop the proposed PACAP, purchased the vendor's cost allocation system (AlloCAP system) for allocating costs to

[3] PACAP, Attachment 3 – Title IV-E Eligibility Rate Calculations, was approved in a formal letter dated September 6, 2018, issued by the DHHS-CAS.

the various programs, and developed data input and output reports for the AlloCAP system. The AlloCAP system replaced the DFAS's previous procedures to allocate costs through various spreadsheets.

The proposed PACAP describes the procedures used to identify, measure, and allocate costs to the various programs administered by the DSS. Cost centers are used to classify costs based on the organizational structure of the DSS. The AlloCAP system used about 300 cost centers during the quarter ended March 31, 2018. The proposed PACAP includes organizational charts reflective of the layout of cost centers, a description of activities performed by each cost center, a listing of federal and state programs benefitting from the cost centers, and procedures and methods used to allocate costs. Rule 45 CFR Section 95.507(a) outlines the various requirements of the PACAP.

Each quarter, DFAS personnel obtain expenditure data from the state's accounting system and import the data to the AlloCAP system. Manual adjustments are made to account for expenditures not reflected in the state's accounting system. The AlloCAP system produces reports showing total amounts to be allocated to various programs. DFAS personnel use the reports to prepare and submit quarterly federal reports to the federal agencies. During the quarter ended March 31, 2018, administrative costs totaling $25.3 million were allocated to the Foster Care, Adoption Assistance, and Temporary Assistance for Needy Families programs through the AlloCAP system.

In addition, the DFAS is responsible for monitoring and making changes to the PACAP and the AlloCAP system as needed. If changes are made to the AlloCAP system, the DFAS must submit a revised proposed PACAP to the DHHS-CAS. DFAS personnel indicated the most common changes to the AlloCAP system are the addition or removal of cost centers or the addition of final receiver accounts. DFAS personnel made numerous changes to both the proposed PACAP and the AlloCAP system throughout the year ended June 30, 2018. These changes were partially because of DSS reorganizations and the PACAP and the AlloCAP were in the early stages of implementation.

A. Internal controls

Our review of the DFAS's new cost allocation procedures noted the DFAS did not establish and document adequate internal controls over cost allocation, as follows:

Documentation of internal controls

The DFAS did not have a documented system of internal controls to ensure the contractor properly designed the AlloCAP system to provide for accurate, allowable, and proper allocations in accordance with the proposed PACAP.

Throughout the audit, DFAS personnel verbally described to auditors various internal control procedures established and performed to ensure the AlloCAP system accurately allocated costs in accordance with the proposed PACAP. However, DFAS personnel did not document these procedures in a policy or

procedures manual or document that the procedures were performed. Examples of internal controls described include testing of AlloCAP system allocations; quarterly review and approval of system reports; and segregation of duties over, and review and approval of, revisions to the proposed PACAP and the AlloCAP system.

Effective internal controls include policies and procedures designed to ensure compliance with federal regulations. These policies and procedures should require personnel to document when required procedures were performed.

PACAP and AlloCAP system changes

The DFAS has not implemented procedures to document changes made to the proposed PACAP or the AlloCAP system or approval of such changes, and did not document procedures to test the changes for accuracy and consistency with the proposed PACAP.

During each quarter of the period October 1, 2017, to June 30, 2018, the DFAS made changes to both the proposed PACAP and the AlloCAP system; however, DFAS personnel did not maintain a log of the changes or any other documentation supporting the changes. DFAS personnel indicated the CFO and Assistant CFO review all changes to the PACAP and the AlloCAP system; however, DFAS personnel could not provide any documentation of these approvals. In addition, DFAS personnel indicated they tested some of the changes by manually calculating the allocations for selected cost centers; however, these calculations were not documented and/or retained.

DFAS personnel stated they document changes to the PACAP through the track change function of the electronic PACAP document and that changes to the Allocap system can be identified by comparing the current and prior quarter chart of accounts reports. However, neither of these documents or methods provide proper support for the reason and/or justification of the changes. As a result, there are no records or other audit trails to properly support changes to the PACAP and AlloCAP system. During the quarter ended June 30, 2018, DFAS personnel added 65 cost centers and removed 35 cost centers. DFAS personnel indicated many of these changes were a result of reorganizational changes within the Family Support Division and MoHealthNet Division.

Documentation of changes, approvals, and testing are critical components of an internal control system designed to ensure data reliability and compliance with federal requirements. The AlloCAP system procedures manual, Chapter VII, states users are encouraged to manually document all changes made to the AlloCAP system because the system does not have an internal function that allows the user to automatically track changes made over time. In

addition, according to the Government Accountability Office[4] (GAO), as part of the control of master data, the organization should have an effective auditing and monitoring capability which allows changes to master data records to be recorded and reviewed where necessary.

Compliance test results

To determine if the DFAS followed its proposed PACAP when allocating costs to federal programs, we sampled 14 cost centers allocated during the quarter ended March 31, 2018, and determined each sampled cost center was supported and allocated in accordance with the proposed PACAP. However, without adequate internal controls, there is less assurance the other cost centers allocated using different methodologies or costs centers applicable to other programs not audited as major programs were allocated accurately and/or in accordance with the proposed PACAP.

Conclusions

The failure to implement adequate internal controls to ensure costs are allocated in accordance with the proposed PACAP and federal requirements increases the risk that DFAS staff will not allocate an appropriate share of costs to programs, errors will not be detected on a timely basis, and federal grantor agencies will disallow costs charged to federal programs. Inadequate internal controls could hinder the department's ability to manage federal funds effectively and to comply with federal regulations.

Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States and the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." The *Standards for Internal Control in the Federal Government*, also known as the Green Book, requires management to develop and maintain documentation of its internal control system. The Green Book states, "[e]ffective documentation assists in management's design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, as well as a means to communicate that knowledge as needed to external parties, such as external auditors."

[4] Report GAO-09-232G, Federal Information System Controls Audit Manual, February 2009

Rule 45 CFR Section 95.517(a) provides that "[a] state must claim FFP [federal financial participation] for costs associated with a program only in accordance with its approved cost allocation plan." Rule 2 CFR Section 200.405(a) states, "[a] cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received."

B. Estimated cost impact analysis

The DFAS did not include an estimated cost impact analysis in the proposed PACAP, as required by federal regulations.

Rule 45 CFR Section 95.507(b)(5) requires the DSS's proposed PACAP to include "[t]he estimated cost impact resulting from the proposed changes to a previously approved plan. These estimated costs are required solely to permit an evaluation of the procedures used for identifying, measuring, and allocating costs." The regulation also states if it is impractical to perform such analysis, an alternative approach should be negotiated with the DHHS-CAS.

The proposed PACAP section titled "Cost Impact Statement" simply states the DSS will notify the DHHS-CAS of any significant funding changes as a result of the proposed PACAP implementation. DFAS personnel indicated they did not perform an estimated cost impact analysis because they believed the proposed PACAP would likely continue to be revised and/or amended based on internal and federal reviews of the proposed PACAP.

In addition to complying with federal requirements, performing and reviewing an estimated cost impact analysis could serve as a component of the internal control system over the new cost allocation procedures. Without such analysis, the DSS and the DHHS-CAS may not have sufficient information to evaluate the propriety of the proposed PACAP and AlloCAP system.

Recommendations

The DSS through the DFAS:

A. Implement internal controls and procedures over the PACAP and the AlloCAP system to ensure costs charged to federal programs are accurate, allowable, properly allocated, and consistent with the proposed and/or approved PACAP. Internal controls should be adequately documented and monitored for compliance with applicable requirements. These controls should include policies and procedures, a log of changes to the PACAP and the AlloCAP system, and documentation of approvals and testing of system changes.

B. Prepare and submit an estimated cost impact analysis as part of the PACAP, as required by federal regulations.

Auditee's Response

A. We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

B. We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

Finding Part A

The DSS Corrective Action Plan states the DSS disagrees with the finding because (1) no deviations were found in audit sampling to support that the DSS did not effectively establish controls to prevent noncompliance, and (2) the DSS provided sufficient evidence to demonstrate internal controls and procedures to ensure costs charged to federal programs are accurate, allowable, and properly allocated.

We used *Audit Guide Government Auditing Standards and Single Audits (Audit Guide),* published by the AICPA, for decisions regarding the reporting of the internal control deficiencies. While the results of compliance testing should be considered when evaluating the operating effectiveness of internal controls, Audit Guide paragraph 9.46 states the absence of noncompliance detected by a compliance test does not provide audit evidence that controls related to a compliance requirement are effective.

In addition, as noted in the finding, the DFAS did not document various internal control procedures verbally described to auditors throughout the audit. In the Corrective Action Plan, the DSS introduced the following additional items it considers to serve as internal controls over the proposed PACAP and the AlloCAP system. However, these items do not address the deficiencies identified in the audit report as follows:

(1) The DSS indicated all changes to the PACAP document are submitted in track changes format; however, as explained in the finding, this does not provide proper support for the reason and/or justification of the changes.

(2) The DSS indicated the revised PACAP document and a summary of quarterly changes are provided to the Grants Unit so it can ensure the AlloCAP system matches the proposed PACAP narrative exactly; however, DFAS personnel did not provide any documented evidence the Grants Unit personnel performed such matches. Additionally, DFAS personnel had difficulties demonstrating to auditors how the cost centers sampled were allocated in the complex AlloCAP system.

(3) The DSS listed the AlloCAP manual outlining the procedures for the quarterly allocation process as documented evidence of internal controls and procedures; however, as noted in the finding, several

processes described by DFAS personnel were not addressed in this or any other manual or policy.

(4) The DSS indicated grant approval tracking sheets documenting all levels of approval are maintained for each grant; however, these documents are used in the review and approval of federal financial reports, and not for purposes of reviewing the PACAP document or the AlloCAP system.

(5) The DSS indicated AlloCAP reports show the allocation methodology matches the proposed PACAP document; however, these reports provide no assurance the costs were allocated in accordance with the proposed PACAP.

As stated in the finding, federal regulations require the DSS to maintain effective controls over, and accountability for, all funds of the DSS programs. Effective internal controls are well documented and include policies and procedures designed to ensure compliance with federal regulations. Because the DSS did not establish and document such controls and procedures over cost allocation, the finding remains valid.

Finding Part B

The DSS Corrective Action Plan states the DSS disagrees with the finding because the proposed PACAP narrative states the DSS will notify the DHHS-CAS of any significant funding changes as a result of the proposed PACAP implementation. Further, the DSS indicated it has corresponded with the DHHS-CAS and other federal agencies regarding the current plan to submit cost impact statements in the near future. However, because the DFAS did not include the required estimated cost impact analysis in the proposed PACAP, the finding remains valid.

2018-006. Child Care Eligibility Case Reviews

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2017 - G1701MOCCDF 2018 - G1801MOCCDF
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2017 - G1701MOCCDF 2018 - G1801MOCCDF
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency)

The DSS did not ensure monthly supervisory case reviews were completed as required for FSD eligibility specialists (ES) who perform eligibility determinations of households participating in the Child Care Development

Fund (Child Care) subsidy program. Also, the case review policy does not require that case reviews be completed timely. During the year ended June 30, 2018, the DSS paid Child Care benefits on behalf of about 60,400 children.

ES and their supervisors are responsible for determining the eligibility of Child Care participants. The DSS Child Care Manual, Section 2035.000.00, *Child Care Case Reviews*, requires supervisors of ES to review a minimum of 20 Child Care subsidy program cases with case actions (e.g. application approval, change in work schedule, other changes to authorization, etc.) each month to ensure eligibility information is accurately entered into the Family Assistance Management Information System (FAMIS), and to verify compliance with federal eligibility requirements. Case reviews are generally targeted at the areas of highest risk as determined by CD and FSD management. The supervisory reviews are required to be logged into the Case Review System (CRS) and submitted to the ES by the last day of the end of the review month. Management uses data from the CRS to determine if additional training is needed for problem areas. During the year ended June 30, 2018, approximately 2,400 case reviews were logged into the CRS.

Monthly case review data provided by the CD indicated the reviews were not always performed during the year ended June 30, 2018. For the 117 months worked by the 13 supervisors during the year, the supervisors did not perform the minimum 20 case reviews for 46 (39 percent) of these months. In addition, we noted the reviews were not always completed timely. For 16 of 40 case reviews we selected (40 percent), the reviews were not performed during the following month, but were performed up to 3 months after the case action was made. The *Child Care Case Reviews* policy is not clear when the case reviews should be performed but requires the supervisor to provide the case review to the ES by the end of the month the review is conducted. DSS officials stated there is no timeframe for completing case reviews.

When supervisory case reviews are not performed or not performed timely, the department's established controls to ensure compliance with eligibility requirements are diminished, and there is decreased assurance eligibility determinations are accurate and an increased risk of errors going undetected. Rule 45 CFR Section 98.68(a) requires the DSS to document in its Child Care subsidy state plan that it has effective controls to ensure integrity and accountability in the program. To demonstrate and ensure internal controls are effective, supervisory case reviews should be performed as required and monitored for compliance with DSS policy. In addition, the policy should be revised to indicate when the reviews should be performed and to provide for more timely case reviews.

Recommendation

The DSS through the CD and the FSD ensure monthly supervisory case reviews are performed as required by DSS policy and strengthen the policy to indicate when the reviews should be performed.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS partially agrees with the finding because the *Child Care Case Reviews* policy does not provide exceptions for staff and supervisor turnover or fluctuating priorities in the field offices. The CAP states if these conditions are considered, the DSS believes supervisors are completing the required number of case reviews and the policy is working to reduce eligibility errors. However, as discussed with DSS officials during the audit, when determining the number of the case reviews not performed, auditors excluded months when supervisor positions were not occupied due to turnover, retirements, or transfers. Because the DSS did not ensure key controls over eligibility of Child Care participants were performed in accordance with established policy, the finding remains valid.

2018-007. Child Care Payments

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.575 Child Care and Development Block Grant 2017 - G1701MOCCDF 2018 - G1801MOCCDF
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2017 - G1701MOCCDF 2018 - G1801MOCCDF
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance
Questioned Costs:	$586

As noted in our prior eight audit reports,[5] DSS controls over Child Care Development Fund (Child Care) subsidy provider payments are not sufficient to prevent and/or detect improper payments to child care providers. The DSS has only limited procedures to monitor payments to providers, and overpayments were made to some providers. During the year ended June 30, 2018, the DSS paid over 4,700 child care providers about $150 million for services provided to approximately 60,400 children of eligible clients.

[5] *State of Missouri Single Audit*, finding numbers 2017-010, 2016-002A, 2015-002, 2014-005, 2013-009, 2012-11A&B, 2011-14A, and 2010-16A.

The DSS provides funds to child care providers who serve eligible clients (parents/caregivers). Once approved for services, the client selects a child care provider and the DSS enters into an agreement/contract with the provider for child care services. The DSS Income Maintenance (IM) manual requires the FSD eligibility specialist to set maximum authorized service units for the amount and type of care that best meets the family's need, and enter this into the Family Assistance Management Information System (FAMIS) for each child. The IM manual and provider agreements require providers to submit a monthly invoice electronically through the Child Care Online Invoicing System (CCOIS) or manually through the Child Care Provider Relations Unit. The CCOIS interfaces with the FAMIS to process provider payments.

Providers are required to maintain detailed attendance records documenting daily arrival and departure times and containing a client signature verifying the child received the services. Although all providers are required to retain attendance records for 5 years, the DSS only requires registered (license exempt) providers that submit manual invoices to submit attendance records for payment.

To test compliance with program requirements, we selected a sample of 60 children. We reviewed related provider agreements and payment documentation supporting one payment for each of these children. The department made payments totaling approximately $19,400 to child care providers on behalf of these 60 children during the month reviewed. Documentation was not adequate to support payments for 9 of 60 cases reviewed (15 percent). Attendance records for 2 cases were not provided by the child care provider upon our request and provider invoices did not agree to the corresponding attendance records for the other 7 cases. Unsupported payments for these 9 cases totaled $769. We question the federal share, or $586 (76.14 percent).

An audit performed by the federal DHHS - Office of Inspector General (DHHS-OIG), *Not All of Missouri's Child Care Subsidy Program Payments Complied With Federal and State Requirements,* released in November 2017, identified similar concerns with unsupported provider payments. The DHHS-OIG audit noted attendance records were not adequately documented for 124 of 128 provider service months reviewed and projected total overpayments of $19.1 million for federal fiscal years 2014 and 2015. The audit reported the deficiencies occurred because the DSS did not exercise sufficient oversight over its Child Care subsidy program.

In September 2013, in response to deficiencies identified in previous audits, the DSS created the Child Care Review Team (CCRT) within the Division of Finance and Administrative Services, and began performing reviews of child care providers. Although the CCRT reviews noted similar provider payment issues to those noted above, the CCRT's follow up on identified provider

noncompliance was not sufficient (see finding number 2018-008). In September 2017, the DSS awarded a contract for an electronic Child Care Business Information Solution (CCBIS), to replace the current paper attendance records. DSS officials indicated the CCBIS is scheduled for full implementation by fall 2019, and will allow for greater control of attendance tracking, invoicing, and monitoring for provider compliance.

Rule 45 CFR Section 98.68(a) requires the DSS to document in its Child Care subsidy state plan that it has effective controls to ensure integrity and accountability in the program. To ensure controls are effective, the DSS needs to continue to review, strengthen, and enforce policies and procedures to ensure Child Care subsidy invoices agree to the corresponding attendance records and attendance records are complete. These procedures should include sufficient monitoring of provider payments and follow up on errors identified.

Recommendation

The DSS through the CD and the FSD continue to review, strengthen and enforce policies and procedures regarding Child Care subsidy provider payments. These procedures should include sufficient monitoring of provider payments and follow up on errors identified.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS partially agrees controls can be strengthened to ensure payments are always adequately supported. The CAP explains the questioned costs associated with the 9 cases cited in the finding were insignificant, and 1 error was because the DSS was unable to obtain records for one provider who is now deceased. However, the DSS Child Care Policy Manual and provider agreements require attendance records be maintained for 5 years and made available to the DSS upon request. Because the DSS has not established necessary controls to ensure Child Care subsidy provider payments are sufficiently monitored, the finding remains valid.

2018-008. Child Care Provider Monitoring

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2017 - G1701MOCCDF 2018 - G1801MOCCDF
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2017 - G1701MOCCDF 2018 - G1801MOCCDF

State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Significant Deficiency)

As noted in our prior two audit reports,[6] the DSS's procedures to follow up on provider noncompliance identified during Child Care Review Team (CCRT) reviews were not sufficient.

The CCRT is responsible for conducting compliance reviews of child care providers using a risk-based approach to identify and monitor providers determined to be at high risk of noncompliance with Child Care subsidy provider requirements. CCRT staff perform on-site and desk reviews to evaluate provider billing practices, compare attendance records to amounts invoiced, and review facility staffing ratios and fire safety. The CCRT completed 467 reviews, including 168 desk reviews and 299 on-site reviews, during the year ended June 30, 2018. Of the 467 reviews, 69 (15 percent) were follow-up reviews of providers previously found to be noncompliant.

When the CCRT identifies provider noncompliance, the provider is required to repay any related overpayments identified; and depending on the severity of the noncompliance, the provider may also (1) be referred to provider training or (2) have its provider contract/agreement terminated. The CCRT notifies the CD if a provider should be referred for training or if a provider's contract/agreement should be terminated. The CD is responsible for contacting the provider with the necessary training or termination information. After a provider attends the required training, the CCRT may conduct a follow-up review. Providers referred to training have 45 days to complete the training. If the provider does not complete the required training timely, CD personnel notify the provider it has 10 to 15 days to complete the training or the provider's contract will be terminated.

During most of the year ended June 30, 2018, the CCRT and the CD did not have established criteria or guidance for determining the type and extent of follow-up action, if any, to address identified provider non-compliance. We reviewed documentation supporting 60 CCRT compliance reviews (48 initial reviews and 12 follow-up reviews) finalized during the year ended June 30, 2018. The CCRT determined 53 of these 60 providers were noncompliant. Of the 53 reviews, 39 had significant problems including overpayments or significant technical issues and appeared to require follow up to prevent future noncompliance, and 14 had technical issues and further follow up did not appear necessary.

[6] *State of Missouri Single Audit*, finding numbers 2017-011 and 2016-002B.

In 27 (21 initial and 6 follow-up) of the 39 reviews (69 percent) that appeared to require follow up, the CCRT required the providers to repay the overpayments. However, as of June 30, 2018, the CCRT had taken no further action to address the provider noncompliance, such as referring the provider to the CD for training or other corrective action, or conducting a follow-up review in a timely manner. The average identified overpayment amount for these 27 providers was $514 for the 2-month period the CCRT reviewed. The overpayment to one of the providers exceeded $5,000. To address the prior audit findings, CD personnel indicated they implemented new guidelines, effective in May 2018, for following up on CCRT reviews that identified noncompliance. In addition, DFAS and CD personnel indicated they scheduled follow-up reviews for some of the reviews identified as requiring follow up in the subsequent fiscal year.

CCRT and CD monitoring of providers serves as a control to ensure provider payments are allowable. Rule 45 CFR Section 98.68(a) requires the DSS to document in its Child Care subsidy state plan that it has effective controls to ensure integrity and accountability in the program. Effective monitoring procedures include adequate follow up and resolution of identified provider noncompliance. Without continued monitoring of these providers, continued noncompliance and overpayments are likely.

Recommendation

The DSS through the DFAS and the CD continue to strengthen and enforce procedures to ensure proper follow up on noncompliance identified during CCRT reviews is performed.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS partially agrees with the finding because the DSS implemented new procedures as of June 30, 2018, that included following up with a number of noncompliant providers or scheduling a future follow-up review. The new procedures require a timely follow-up review for billing discrepancies. However, the CCRT had not followed up on the 27 reviews identified by auditors as requiring follow up as of June 30, 2018; therefore, the finding remains valid.

2018-009. Foster Care Case Management Contract Payment Reviews

Federal Agency:	Department of Health and Human Services
Federal Program:	93.658 Foster Care - Title IV-E 2017 - G1701MOFOST 2018 - G1801MOFOST
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance
Questioned Costs:	$172

The DFAS has not established adequate internal controls to ensure certain Foster Care assistance payments to contractors are allowable and adequately supported.

The CD contracts with 7 foster care case management (FCCM) contractors to provide case management/administration and room and board for certain children in state custody. The DSS pays the contractors a monthly fixed price for a pre-established caseload. Certain costs included in payments to FCCM contractors are allowable Foster Care program costs. The DSS paid these contractors approximately $86 million during the year ended June 30, 2018, of which about $11.6 million, with a federal share of about $7.4 million (64 percent), was claimed to the Foster Care program as allowable assistance payments. During the year ended June 30, 2018, FCCM contractors were assigned about 3,400 foster children, or approximately 25 percent of the state's average daily caseload.

To identify FCCM contractor costs to charge to the Foster Care program, the DFAS requires each FCCM contractor to electronically report monthly payment data for each child it is responsible for managing. Payment data includes type of service, vendor, amount paid, service date(s), and other identifying information. This data is uploaded into the DSS Family and Children Electronic System (FACES), which has various system edits to prevent and/or detect data input errors and duplicate payments. From this data, DFAS personnel determine the amounts to charge to the Foster Care program based each child's eligibility determination and type of service(s) provided.

The DFAS's control procedures over FCCM contracts are not sufficient to ensure FCCM assistance payment amounts charged to the Foster Care program are accurate and supported. The DFAS's procedures are limited to following up on errors identified through FACES system edits. DFAS personnel do not ensure payment rates are in accordance with the foster care rate structure or sample and review contractor supporting documentation of costs incurred. Without such procedures, there is an increased risk that payment errors could occur and go undetected, and the DFAS could charge unallowable or unsupported assistance payments to the Foster Care program.

To test compliance with Foster Care program requirements, we selected a sample of 60 children. We reviewed payment documentation supporting the payments made on behalf of the 60 children during the year ended June 30, 2018, totaling about $271,000. Of the 60 children, 9 were assigned to FCCM contractors. The FCCM contractors made and reported to DSS payments totaling about $50,700 on behalf of these 9 children. For one of the 9 children, the FCCM contractor reported, and the DSS charged to the Foster Care program, the infant allowance during the period December 2017 through June 2018, although the child turned 3 in February 2016. DSS regulations allow

the infant allowance of about $50 per month (either paid by a flat monthly rate or based on a daily rate) up to age 3. The amounts incorrectly claimed for this child totaled $266. We question the federal share, or $172 (65 percent).

Effective internal controls over allowable costs include monitoring and oversight of contractors responsible for carrying out federal requirements. To ensure FCCM contractors are accurately reporting payment data and that payments are adequately supported, detailed reviews of submitted data include reviews of foster care payment rates and supporting documentation such as cancelled checks, receipts or invoices, and/or other supporting documentation.

Rule 45 CFR Section 75.342(a) states the DFAS is "[r]esponsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity." In addition, 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the CD and the DFAS strengthen monitoring controls and procedures over FCCM contractor payments to ensure costs claimed to the Foster Care program as assistance payments are allowable and adequately supported. Detailed reviews of data submitted by the FCCM contractors should include reviews of foster care payment rates and supporting documentation.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DSS Corrective Action Plan states the DSS disagrees with the finding because the questioned costs were immaterial and the DSS believes reviewing payment documentation is not necessary because the FCCMs were deemed to be contractors (as opposed to subrecipients) in a federal Departmental Appeals Board (DAB) decision. The DSS further stated requesting documentation from the FCCM contractors would impose extraneous requirements on the contractors. However, the classification of, or the burden on, the entities in which the DSS contracts for services under federal programs does not absolve the DSS of responsibilities to ensure costs claimed are allowable and adequately supported. Furthermore, the DAB decision cited by the DSS only addressed resource development (e.g. training) costs and not assistance payments, which is the focus of the finding. Because the DSS has

not established necessary controls to ensure FCCM contractor assistance payments are allowable and adequately supported, the finding remains valid.

2018-010. TANF Work Participation Sanctions

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families (TANF) 2017 - G1702MOTANF 2018 - G1802MOTANF and G1801MOTAN3
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance
Questioned Costs:	$171

As noted in our five prior audits[7] of the TANF program, the FSD did not have adequate controls to ensure TANF program recipients who failed to meet work participation requirements were sanctioned. The FSD's procedures to monitor subrecipients responsible for referring TANF program recipients to the FSD for failure to meet work participation requirements were not sufficient; and as a result, a recipient was not sanctioned and continued to receive full benefits.

Under 45 CFR Section 261.14, for a TANF program recipient who refuses to engage in work required under Section 407 of the Social Security Act, the state must reduce or terminate the amount of assistance payable to the family, subject to any good cause or other exceptions the state may establish. A state that fails to impose penalties on individuals in accordance with the provisions of Section 407(e) of the Social Security Act may be subject to penalty. Under 45 CFR Section 261.54, the federal agency may impose a penalty amount for a fiscal year of no less than 1 percent and no more than 5 percent of the annual grant amount.

Ten community organizations, who are FSD subrecipients, perform many of the required TANF program work activity functions for the 11 regions in the Missouri Work Assistance (MWA) program. The FSD refers TANF program recipients who are required to participate in eligible work activities to the MWA subrecipients. Subrecipient duties include case management, enrollment, and reporting recipient hours of participation and noncompliance to the FSD. Sections 285 and 290 of the FSD TANF Manual require MWA subrecipients to place TANF program recipients who are not meeting work participation requirements in conciliation status; attempt to locate and re-engage recipients, if necessary; provide recipients the opportunity to begin

[7] *State of Missouri Single Audit*, finding numbers 2015-014, 2014-010B, 2013-016B, 2012-16B, and 2011-20B.

work participation activities; and notify the FSD of recipients exempt from the work requirements. Additionally, the policies require MWA subrecipients to refer TANF program recipients who failed to meet the work participation requirements (and did not meet an exception) to the FSD for sanctions to be applied to their monthly benefits. The DSS has established the sanction at 50 percent of the monthly benefit amount.

The FSD's monitoring and training of the MWA subrecipients has not been effective to ensure the subrecipients comply with sanction policies and procedures. The FSD performs various monitoring procedures including periodic samples and reviews of cases in each region and reviews of various system-generated reports of cases in possible need of sanction. Also, during state fiscal year 2018, the FSD and the Division of Finance and Administrative Services jointly issued 4 monitoring review reports of MWA subrecipients. Three of these reports showed subrecipients failed to comply with conciliation/sanction policies and procedures, and noted error rates of noncompliance ranging from 4 to 15 percent. The DSS required the MWA subrecipients to submit corrective action plans to address the issues identified and provided additional training to the subrecipients with high rates of noncompliance. Federal resolutions of prior audit findings have required the DSS to take corrective action, including performing additional monitoring activities, to address the findings. However, our review indicates the improved monitoring procedures were not sufficient to ensure MWA subrecipients complied with policies for referring recipients who did not comply with work requirements.

A January 2018 report of 4,743 TANF program recipients referred to the MWA subrecipients included 3,461 recipients for which no work activities were reported during the month. We tested 40 of these TANF program recipients, who received benefits totaling $9,807 during January 2018, and noted 2 recipients (5 percent) were not referred to the FSD by the MWA subrecipient. One of the recipients was not appropriately sanctioned for noncompliance with work participation requirements. The other recipient qualified for an exemption in November 2017, but the exemption was not recorded in FSD records until April 2018. Nine recipients were appropriately sanctioned and the remaining 29 recipients were not subject to sanction during January 2018 due to various reasons, such as the conciliation process was not complete; the recipient was exempt due to age, having a newborn child, or caring for a disabled person; or the recipient received a temporary waiver for childcare, transportation, disability, or domestic violence.

For the case not appropriately sanctioned, the MWA subrecipient did not engage the TANF program recipient in conciliation so they would begin participating in required activities and did not notify the FSD of noncompliance. The recipient should have been sanctioned for the month of January 2018. We question the amount of the sanction that was not imposed on the recipient for January 2018, which totaled $171 (100 percent federal share).

Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." To ensure controls are effective, the DSS needs to continue to review, strengthen, and enforce monitoring policies and procedures over MWA subrecipients to ensure work participation sanctions are imposed as required.

Recommendation

The DSS through the FSD continue to review, strengthen, and enforce controls to ensure TANF program recipients who fail to meet work participation requirements are sanctioned as required, or referred to the FSD for exemption.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DSS's Corrective Action Plan states the DSS disagrees with the finding because the DSS believes the errors and associated questioned costs were immaterial, and therefore, corrective action is not warranted. However, as discussed with DSS officials during the exit conference, we are required by 2 CFR 200.516(a)(3) to report this finding because likely questioned costs are greater than $25,000 for the compliance requirement. Based on our test results, likely questioned costs are estimated to exceed $70,000.[8] Therefore, the finding remains valid.

2018-011. TANF Subrecipient Risk Assessments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families (TANF) 2017 - G1702MOTANF 2018 - G1802MOTANF and G1801MOTAN3
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance

[8] This was calculated by taking total state fiscal year 2018 TANF payments (approximately $29 million) times the percentage of payments associated with recipients with no reported work activities referred to MWA subrecipients during the month tested (3,461 divided by 24,751, or approximately 14 percent) times the percentage of questioned costs for the total amounts tested ($171 divided by $9,807, or approximately 2 percent).

The DSS did not prepare risk assessments for some TANF program subrecipients to determine the nature, timing, and extent of monitoring procedures. During the year ended June 30, 2018, the DSS disbursed approximately $3 million in TANF program (federal) funds to approximately 75 subrecipients. Many of these subrecipients also received TANF program maintenance of effort (state) funds.

Rule 2 CFR Section 200.331(b) requires pass-through entities to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

The DFAS and the FSD perform various procedures to monitor TANF program subrecipients. However, during the year ended June 30, 2018, the DSS did not prepare risk assessments for 23 subrecipients of 3 TANF-funded programs[9] as follows:

Program	Number of Subrecipients With No Risk Assessments Performed	Related TANF Funding
Alternatives to Abortion	9	$ 1,419,456
Missouri Work Assistance (MWA)	10	354,947
Healthy Marriage and Responsible Fathers	4	125,300
Total	23	$ 1,899,703

The DFAS and the FSD performed procedures to monitor these subrecipients; however, the monitoring procedures were not based on documented risk assessments. Monitoring procedures, which varied among the programs, generally included reviewing external audits, following up on corrective actions related to audit findings, reviewing periodic subrecipient reports, providing training or technical assistance when needed, performing on-site visits, verifying invoices to supporting documentation, and/or testing cases handled by the subrecipients. As noted at finding number 2018-010, the FSD's monitoring of the MWA subrecipients for compliance with work participation sanction requirements was not sufficient

To comply with federal regulations, the DSS should develop procedures to ensure risk assessments are prepared for all subrecipients, and utilize the risk assessments in determining the nature, timing, and extent of monitoring procedures. Rule 2 CFR Section 200.303(a) requires the non-federal entity to

[9] These subrecipients and the TANF funding received were listed in a report prepared by the DFAS supporting the TANF payments to subrecipients reported on the DSS's Schedule of Expenditures of Federal Awards.

"[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the DFAS and the FSD strengthen controls and procedures to ensure evaluations of each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward are performed and used for monitoring decisions as required by federal regulations.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS's Corrective Action Plan states the DSS partially agrees with the finding because the DSS provided documented risk assessments for several programs during the audit and monitored subrecipients based on the assessment of risk. However, during the audit, DSS officials agreed they had not performed risk assessments on the 23 subrecipients cited in the finding; therefore, the finding remains valid.

2018-012. VOCA Subrecipient Monitoring

Federal Agency:	Department of Health and Human Services
Federal Program:	16.575 Crime Victim Assistance (CVA) 2015-VA-GX-4065 2016-VA-GX-4056 2017-VA-GX-4056 2018-V2-GX-0035
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Significant Deficiency)

The DFAS did not perform monitoring reviews in accordance with its monitoring policy for the CVA program, also known as the Victims of Crime Act (VOCA) program. During the year ended June 30, 2018, the DFAS disbursed approximately $35.9 million to approximately 120 subrecipients for costs related to the VOCA program.

Rule 2 CFR Section 200.331(b) requires pass-through entities to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Rule 2 CFR Section 200.331(d) requires pass-through entities to monitor the activities of subrecipients as necessary to ensure the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and to ensure subaward performance goals are achieved. Additionally, 28

CFR Section 94.106 requires the DFAS to conduct regular desk monitoring of all subrecipients and to perform on-site monitoring of all subrecipients at least once every 2 years.

Effective July 1, 2017, the General Assembly transferred the state's administration of the VOCA program from the Department of Public Safety to the DFAS. At that time, the DFAS began preparing a VOCA Monitoring Policy to address various subrecipient monitoring requirements. The policy requires the DFAS to perform a risk assessment for each subrecipient every 2 years and assess the risk of noncompliance as high, moderate, or low based on various risk factors such as results of previous audits and monitoring reviews, turnover of key personnel, and timeliness of reporting. The policy requires the risk assessments be used to determine the nature and frequency of monitoring activities.

DFAS monitoring procedures include on-site visits, desk reviews, and random sampling. On-site visits include inspections of records, tours of facilities, interviews of employees, and other procedures. Desk monitoring includes review and verification of subrecipient documentation supporting a monthly invoice or quarterly report. Random sampling includes review and verification of subrecipient documentation supporting a portion of a monthly invoice. For the federal fiscal year ending September 30, the monitoring policy requires the following monitoring reviews based on the assessed risk level:

	Assessed risk		
Monitoring Type	High	Moderate	Low
On-site	Yearly	Every 2 years	Every 2 years
Desk	Quarterly	Semi-annually	Yearly
Random Sampling	Every other month	Quarterly	Yearly

Around early January 2018, the DFAS performed risk assessments for all VOCA program subrecipients; however, the DFAS did not monitor the subrecipients in accordance with the monitoring policy. The DFAS assessed 11 subrecipients as high risk, 20 subrecipients as moderate risk, and 89 subrecipients as low risk. We selected 12 subrecipients to determine the extent of the DFAS monitoring reviews performed during the year ended September 30, 2018, which is approximately a 9-month period after the risk assessments were performed in early 2018. For 8 of the 12 subrecipients reviewed, the DFAS performed less than the required number of monitoring reviews. For example, for 3 of the 4 subrecipients assessed as high risk, the DFAS performed only 1 desk review when at least 3 desk reviews were required during the 9-month period. Additionally, for the 4 subrecipients assessed as high risk, the DFAS performed zero to 2 random sampling reviews for each of these subrecipients, when at least 4 random sampling

reviews were required during the period.[10] A DFAS official indicated staffing turnover limited the number of monitoring reviews performed.

In order to demonstrate adequate internal controls over compliance with subrecipient monitoring requirements, it is necessary for the DFAS to follow its established policies and procedures. In addition, 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the DFAS ensure VOCA program subrecipients are monitored in accordance with the monitoring policy.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS's Corrective Action Plan (CAP) states the DSS partially agrees with the finding. The CAP states the DFAS monitoring policy is more stringent than required by the grantor agency, and desk reviews could not be completed for some subrecipients because the subrecipients had submitted no invoices during certain quarters. However, as noted in the finding and as discussed with DSS officials during the audit, all 8 subrecipients identified in the finding as not having the required number of monitoring reviews had submitted a sufficient number of invoices requiring desk or random sampling reviews. Additionally, as noted in the finding, the DSS is required to establish and maintain controls over federal awards. By not following its own policies and procedures, the DSS cannot effectively demonstrate it has maintained adequate VOCA subrecipient monitoring internal controls. Therefore, the finding remains valid.

2018-013. MO HealthNet Division Provider Eligibility

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.767 Children's Health Insurance Program
	2016 - 1605MO5021
	2017 - 1705MO5021
	2018 - 1805MO5021
	93.778 Medical Assistance Program
	2017 - 1705MO5MAP and 1705MO5ADM
	2018 - 1805MO5MAP and 1805MO5ADM

[10] Each of the 4 high-risk subrecipients reviewed submitted at least 6 invoices during the 9-month period, 1 submitted invoices every month, 2 submitted invoices during 8 months, and 1 submitted invoices during 6 months.

State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Missouri Medicaid Audit and Compliance (MMAC)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance

As noted in our prior two audit reports,[11] the DSS did not establish effective internal controls over and did not fully implement federal revalidation requirements, effective in September 2016, for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). As of June 30, 2018, the DSS had not performed required revalidations for 48 percent of Medicaid and CHIP providers requiring revalidation. There were approximately 60,700 Medicaid and CHIP providers enrolled as of June 30, 2018.

To enroll in the Medicaid and CHIP programs, providers of medical services apply to the MMAC Provider Enrollment Unit, which is responsible for determining the eligibility of providers and performing eligibility revalidations. Rule 42 CFR Section 455.412[12] specifies the enrollment screening (eligibility determination) requirements. The revalidation process involves multiple steps, including reviewing results of ongoing provider monitoring procedures, such as checking federal and state provider databases for excluded providers.

Rule 42 CFR Section 455.414,[12] effective March 2011 with an extended implementation deadline of September 2016,[13] established additional requirements regarding provider eligibility, requiring states to revalidate the eligibility of all Medicaid and CHIP providers, regardless of provider type, at least every 5 years. In addition, the DHHS-CMS issued the Medicaid Provider Enrollment Compendium on January 4, 2017, to clarify how states are expected to comply with the federal regulations. To implement the new requirements, the DSS established state regulation 13 CSR 65-2.020, which gave the DSS authority to implement provider revalidations, effective July 30, 2014; and modified the provider enrollment system for revalidations. MMAC Provider Enrollment Unit personnel began manually performing revalidations in April 2015 and using the system to perform revalidations in July 2016.

[11] *State of Missouri Single Audit*, finding numbers 2017-013 and 2016-003A.

[12] Rule 42 CFR Section 457.990 requires the same enrollment and revalidation requirements for CHIP providers as Medicaid providers, established as 42 CFR Part 455, subpart E, which includes Sections 455.412 and 455.414.

[13] Sub-regulatory Guidance published by the DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS) on December 23, 2011, required implementation of the new revalidation requirements by September 24, 2016; specifically, revalidations for all providers enrolled on or before September 25, 2011, were to be completed by September 24, 2016.

The MMAC has established procedures for performing provider revalidations; however, the procedures were not designed effectively to ensure all providers were revalidated within required timeframes. As explained in our prior audit reports, the revalidations were not performed for 87 percent of the Medicaid and CHIP providers requiring revalidation as of September 24, 2016, and for 71 percent of providers as of June 30, 2017. According to DSS reports, as of June 30, 2018, there were approximately 33,200 active providers enrolled in the Medicaid and CHIP on or before June 30, 2013, that required revalidation. At that time, the MMAC had completed revalidations for approximately 17,200 providers, but had not completed revalidations for the remaining 16,000 providers (48 percent).

DSS officials indicated the backlog of revalidations continued to occur because of difficulties associated with the manual revalidation process and inadequate staff resources to handle the volume of revalidations and new enrollments. During state fiscal year 2018, the legislature authorized the DSS to hire additional staff, the MMAC created a unit dedicated to performing revalidations, and the DSS contracted with a vendor to create a web portal to streamline provider submissions. MMAC officials indicated they plan to have all revalidations completed and on a rotational 5-year schedule by June 30, 2019.

We selected 60 providers paid during the year ended June 30, 2018, to test compliance with federal eligibility requirements. While the MMAC had performed various monitoring procedures for each provider, revalidations had not been completed for all 38 providers requiring a revalidation. As a result, the DSS did not comply with federal revalidation requirements.

In July 2018, the DHHS-CMS, Division of Medicaid and Children's Health Operations, issued a decision letter stating it concurred with our year ended June 30, 2017, audit finding number 2017-013; however, it did not require an adjustment for the questioned costs because there is no federal regulation or policy that requires a financial penalty or disallowance action for payments made to providers that have not been revalidated and are otherwise eligible providers.

To ensure compliance with federal regulations, the DSS needs to follow established controls over performing revalidations of Medicaid and CHIP providers. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the MHD and MMAC continue to implement internal controls designed to ensure Medicaid and CHIP provider revalidations are performed every 5 years as required by federal regulations.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2018-014. Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.778 Medical Assistance Program 2017-1705MO5MAP and 1705MO5ADM 2018-1805MO5MAP and 1805MO5ADM
State Agency:	Department of Mental Health (DMH) - Division of Developmental Disabilities (DD)
Type of Finding:	Noncompliance
Questioned Costs:	$732,022

As noted in our prior three audit reports,[14] the DD continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services (HCBS), Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) program, but did not retain adequate documentation to support these rates. As a result, the DD could not demonstrate some amounts paid were allowable costs of the Comprehensive Waiver program.

The DD with its six habilitation centers and five regional offices is responsible for the direct administration of various Medical Assistance Program (Medicaid)-funded HCBS programs for children and adults with disabilities, including the Comprehensive Waiver program. Various types of services are allowed under the waiver, including residential habilitation services provided to 1,152 participants in group homes and 5,143 participants served by individualized supported living (ISL) providers during the year ended June 30, 2018. Residential habilitation services include care, supervision, and skills training in activities of daily living, home management, and community integration. Providers are paid a per diem rate for each participant receiving these services, based on the individual's needs. Certain costs, such as room and board, are not allowed to be included in per diem rates under the waiver program. During the year ended June 30, 2018, per diem payments for group home services totaled approximately $132 million, and per diem payments for ISL services totaled approximately $528 million.

In October 2013, the DD began phasing in acuity-based per diem rates to replace historical rates for residential habilitation services, and renewed the

[14] *State of Missouri Single Audit*, finding numbers 2017-017, 2016-006, and 2015-015.

Comprehensive Waiver in July 2016 to include the new rates. However, these new rates were not fully phased in as of June 30, 2018. DD officials indicated the updated rates should be fully phased in within the next few years. For participants that received residential habilitation services during the year ended June 30, 2018, DD officials indicated the DMH paid acuity-based per diem rates for approximately half the participants and historical per diem rates for the other half.

To test compliance with various Comprehensive Waiver program requirements, we tested 60 payments to service providers during the year ended June 30, 2018. Of these 60 payments, 37 were to ISL providers and 15 were to group homes for habilitation services. The DD did not retain documentation to support per diem rates, paid at historical rates, for 8 of the 37 ISL habilitation service payments tested and 5 of the 15 group home habilitation service payments tested. The DD retained the original ISL budgets, the group home individual plans of care, and cost of living allowance (COLA) notices supporting some per diem rate increases. However, these documents did not show how the rates were originally determined or what costs were included in the per diem rates. The remaining 29 ISL and 10 group home payments were based on acuity-based per diem rates or historical rates that were less than or equal to acuity-based rates. Payments to providers for habilitation services provided to the 13 participants during the year ended June 30, 2018, for which the historical per diem rates were not supported or exceeded acuity-based rates, totaled $1,141,466. We question the federal share, or $732,022 (64.13 percent).

Audits performed by the federal DHHS - Office of Inspector General (DHHS-OIG), *Missouri Claimed Unallowable and Unsupported Medicaid Payments for Group Home Habilitation Services*, released in August 2015, and *Missouri Claimed Unallowable and Unsupported Medicaid Payments for Individualized Supported Living Habilitation Services*, released in March 2016, noted similar concerns with unsupported per diem rates for some group home payments and noted some ISL payments included unapproved and unallowable costs. The DHHS-OIG audits also determined several per diem rates that were supported by adequate documentation included room and board costs, which are not allowable under the Comprehensive Waiver program.

In July 2018, the DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS), Division of Medicaid and Children's Health Operations issued a decision letter stating it did not concur with our fiscal year 2017 audit finding because the DMH changed to the acuity-based rate-setting method for residential habilitation per diem rates, effective July 2016. However, as noted above, payments to providers for those participants that have not been transitioned from the historical per diem rates to the acuity-based per diem rates, are not adequately supported and documented as required by federal

regulations. Similar errors of noncompliance will likely continue until all participants are transitioned to the acuity-based rate model.

Without proper documentation of the payment rates, the DD cannot demonstrate that payments based on these rates are proper and only include allowable costs. Rule 42 CFR Section 447.203(a) states "[t]he agency must maintain documentation of payment rates. . . ." Rule 2 CFR Section 200.403(g) states costs must be adequately documented to be allowable. Also, the approved DD Comprehensive Waiver Program Application, Appendix I: Financial Accountability, section I-2(e), states "[r]ecords documenting the audit trail of adjudicated claims (including supporting documentation) are maintained by the Medicaid agency, the operating agency (if applicable), and providers of the waiver services for a minimum period of 3 years as required in 45 CFR [Section] 92.42." Adequate documentation of habilitation services per diem rates is necessary to ensure compliance with the federal requirements related to the Comprehensive Waiver program and to ensure only allowable costs are included in the per diem rates.

Recommendation

The DMH through the DD continue to transition all per diem rates paid to providers for residential habilitation services provided under the Comprehensive Waiver program from historical rates to acuity-based rates, ensure documentation to support per diem rates is maintained as required, and ensure the rates only include allowable costs.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DMH Corrective Action Plan states the DMH disagrees with the finding because the DMH switched to an acuity-based rate methodology and any historical rates currently in place are expressed as a percentage of the acuity-based rates. However, payments to providers for any participants currently at the historical per diem rates are not adequately supported and documented as required by federal regulations. Therefore, the finding remains valid. Similar errors of noncompliance will likely continue until all participants are transitioned to the acuity-based rate model.

2018-015. State Emergency Management Agency Subrecipient Monitoring

Federal Agency: Federal Emergency Management Agency (FEMA)
Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
2011 - FEMA-1980-DR-MO
2013 - FEMA-4130-DR-MO
2013 - FEMA-4144-DR-MO
2014 - FEMA-4200-DR-MO
2015 - FEMA-4238-DR-MO
2015 - FEMA-4250-DR-MO
2017 - FEMA-4317-DR-MO

State Agency:	Department of Public Safety - State Emergency Management Agency (SEMA)
Type of Finding:	A - Internal Control (Significant Deficiency) and Noncompliance B - Internal Control (Significant Deficiency) and Noncompliance C - Internal Control (Significant Deficiency) and Noncompliance

The SEMA did not perform all required subrecipient risk assessments, perform monitoring reviews in accordance with its monitoring policy, or monitor subrecipient compliance with cash management requirements for the Public Assistance (PA) program.

Rule 2 CFR Section 200.331(b) requires pass-through entities to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Office of Management and Budget (OMB) Circular A-133 Section 400(d)(3) and 2 CFR Section 200.331(d) require monitoring the activities of a subrecipient as necessary to ensure the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved. The SEMA fiscal and PA departments perform various procedures to monitor subrecipients of the PA program.

To establish controls over new Uniform Guidance[15] requirements related to subrecipient monitoring, the SEMA implemented the Recovery Division Monitoring Policy, effective March 8, 2017. This policy requires the fiscal department to perform risk assessments and classify the subrecipient as low risk, medium risk, or high risk. It also requires fiscal personnel to monitor all subrecipients at least annually, and requires desk monitoring for low-risk subrecipients, desk monitoring or on-site monitoring for medium-risk subrecipients, and on-site monitoring for high-risk subrecipients. This new policy applies to subrecipients of disaster grants awarded on or after the Uniform Guidance effective date of December 26, 2014. In addition to fiscal department monitoring of subrecipients, the PA department performs ongoing and close-out monitoring of all subrecipients by providing day-to-day oversight, reconciling and approving programmatic subrecipient expenditures, and providing general support and assistance relating to project implementation.

[15] Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

During the year ended June 30, 2018, the SEMA disbursed approximately $45 million to approximately 290 subrecipients of the PA program through 7 FEMA grants. Four grants approved from 2011 through 2014 are subject to OMB Circular A-133 requirements and three grants (disaster numbers 4238, 4250, and 4317) approved during and after 2015 are subject to Uniform Guidance requirements. Of the disbursements during the year ended June 30, 2018, approximately 25 percent was subject to OMB Circular A-133 requirements and approximately 75 percent was subject to Uniform Guidance requirements.

During the year ended June 30, 2018, fiscal department personnel completed risk assessments for all subrecipients of disaster grant numbers 4238 and 4250. These risk assessments were all completed between May 2017 and July 2017 in response to a FEMA Financial Monitoring Review[16] that noted the SEMA did not fully implement the subrecipient monitoring plan for the PA program. Also, during the year ended June 30, 2018, fiscal department personnel performed monitoring reviews of 21 subrecipients.

A. Risk assessments

The fiscal department did not perform risk assessments for all subrecipients, as required by the Recovery Division Monitoring Policy and the Uniform Guidance. In addition, the policy does not address when subrecipient risk assessments should be performed, and the fiscal department's current practice provides for risk assessments that are not effective.

During May through July 2017, subsequent to the FEMA review, fiscal department personnel completed risk assessments for all subrecipients of disaster grant numbers 4238 and 4250. However, as of June 30, 2018, the only risk assessments performed for the 210 subrecipients of disaster number 4317, were the risk assessments performed for the 125 subrecipients that also received funding from disaster grant numbers 4238 and 4250. Risk assessments were not performed for the remaining 85 subrecipients of disaster grant number 4317 (40 percent). Fiscal department personnel indicated they were required by the FEMA to complete the risk assessments for the two open disaster grant numbers (4238 and 4250) shortly after the FEMA review. Because disaster number 4317 was subsequently declared and SEMA's normal procedure is to perform the risk assessments at the end of the project, risk assessments were not performed for disaster grant number 4317.

When a risk assessment is performed at the end of the project, which can be up to 5 years after project initiation, the risk assessment is not effective because the fiscal department cannot use the risk assessment to monitor the subrecipient for that project. It can only be used for subsequent projects for which the subrecipient receives a subaward. For new subrecipients that have

[16] FEMA *Financial Monitoring Review - R7-GM-2017-006 - Results Letter*, June 29, 2017

not received a previous subaward, the fiscal department lacks the required risk assessment to guide its monitoring of the subrecipient.

To comply with Uniform Guidance risk assessment requirements, which require that risk assessments be used for monitoring decisions, the fiscal department should evaluate its current practices, and document in the Recovery Division Monitoring Policy when risk assessments should be performed. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

B. Fiscal department monitoring reviews

The fiscal department did not monitor subrecipients in accordance with the Recovery Division Monitoring Policy. Although the policy requires monitoring of all subrecipients at least annually, the fiscal department's monitoring of subrecipients was limited to only 10 percent, or 21, of the 210 subrecipients of disaster grant number 4317. The fiscal department did not select any of the subrecipients for disaster grant numbers 4238 or 4250 to monitor for compliance with Uniform Guidance requirements.

In addition, the fiscal department did not use the prepared risk assessments to determine the type of monitoring necessary for each subrecipient. For each of the 21 subrecipients monitored during the year ended June 30, 2018, fiscal department personnel performed desk monitoring procedures regardless of the subrecipient's assessed risk as noted in the following table.

Number of Subrecipients	Assessed Risk	Required Monitoring	Actual Monitoring
1	Low	Desk monitoring	Desk monitoring
10	Medium	Desk monitoring or On-site visit	Desk monitoring
1	High	On-site visit	Desk monitoring
9	None(1)	Unknown(1)	Desk monitoring

(1) SEMA personnel did not perform a risk assessment as required; therefore, the SEMA does not know the type of monitoring that should have been performed.

Fiscal department personnel stated they did not have a sufficient number of personnel to monitor all subrecipients in accordance with the Recovery Division Monitoring Policy, and when developing the policy, they did not realize the magnitude of subrecipients that would require monitoring.

In order to demonstrate adequate internal controls over compliance with subrecipient monitoring requirements, it is necessary for the SEMA to follow its established policies and procedures. The fiscal department should periodically review the Recovery Division Monitoring Policy for

completeness and effectiveness, and review for compliance with the policy. If the fiscal department determines the policy is too labor intensive, revisions should be considered. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

C. Monitoring of subrecipient cash management

The SEMA has not established procedures to ensure subrecipients minimize the time elapsed between receipt of funds to disbursement of funds for program purposes.

Some PA subawards provide for advance payments to subrecipients. When requesting project funds, subrecipients complete and submit form PA-8 to the SEMA, which includes a certification the subrecipient will disburse the monies within 30 days of receipt of federal funds. However, the SEMA does not monitor to ensure subrecipients disburse the monies within the required 30 days. The PA department periodically requests subrecipients to provide copies of checks or other documentation supporting actual disbursements; however; the department does not review these records for compliance with the 30-day requirement.

Rule 2 CFR Section 200.305(b) requires subrecipients to minimize the time elapsing between the transfer of funds from the pass-through entity and disbursement of the funds. Without procedures to monitor for compliance with SEMA policy and federal regulations, the SEMA has little assurance the subrecipients are complying with these requirements. In addition, OMB Circular A-133 Section 300(b) and 2 CFR Section 200.303(a) require the non-federal entity to maintain internal control over federal awards that provides reasonable assurance that the non-federal entity is managing federal awards in compliance with federal laws and terms and conditions of the federal awards.

Recommendations

The SEMA:

A. Through the fiscal department ensure evaluations of each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward are performed as required by the Uniform Guidance.

B. Through the fiscal department review, strengthen, and enforce policies and procedures regarding subrecipient monitoring.

C. Establish controls and procedures to ensure subrecipients comply with SEMA policy and federal regulations requiring subrecipients to

minimize the time elapsed between the receipt of federal funds to disbursement of the funds.

Auditee's Response

A. We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

B. We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

C. We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2018-016. State Emergency Management Agency Subrecipient Audits and Awards

Federal Agency:	Federal Emergency Management Agency (FEMA)
Federal Program:	97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) 2011 - FEMA-1980-DR-MO 2013 - FEMA-4130-DR-MO 2013 - FEMA-4144-DR-MO 2014 - FEMA-4200-DR-MO 2015 - FEMA-4238-DR-MO 2015 - FEMA-4250-DR-MO 2017 - FEMA-4317-DR-MO
State Agency:	Department of Public Safety - State Emergency Management (SEMA)
Type of Finding:	A - Internal Control (Significant Deficiency) and Noncompliance B - Internal Control (Significant Deficiency) and Noncompliance

The SEMA has not established adequate controls to follow up on subrecipient audit findings of the Public Assistance (PA) program or to ensure all required award information is communicated to the subrecipients. During the year ended June 30, 2018, the SEMA disbursed approximately $45 million to approximately 290 subrecipients of the PA program through 7 FEMA grants.

A. Subrecipient audits

The fiscal department has not established controls and procedures to follow up on subrecipient audit findings.

As the grantor agency, the SEMA is required to monitor the activities of subrecipients, including reviewing subrecipient audit reports. Each subrecipient that spent in excess of $750,000 in federal awards during its fiscal year must obtain an audit in accordance with the Uniform Guidance within 9 months after the end of the fiscal year. Office of Management and Budget (OMB) Circular A-133 Section 400(d)(4) and 2 CFR Section 200.331(f) require the SEMA to verify the subrecipients have been audited. OMB Circular A-133 Section 400(d)(5) and 2 CFR Section 200.331(d)

require the SEMA to follow up on audit findings related to SEMA awards, issue a management decision on the audit findings, and ensure the subrecipient takes timely and appropriate action to correct the deficiency(ies). These requirements help ensure federal awards are used for purposes that are authorized and within the provisions of contracts or grant agreements. The SEMA fiscal department is responsible for obtaining and reviewing subrecipient audit reports.

The SEMA's procedures, documented in its Administrative Plan, do not require the SEMA to follow up on the audit findings to ensure recommendations have been implemented or require the SEMA to issue a management decision on the audit findings. During our review of subrecipient audit reports issued during the year ended June 30, 2018, we identified 2 subrecipients with audit findings related to the PA program. The SEMA did not follow up or issue a management decision on any of these findings as required by federal regulations. Fiscal department personnel indicated they did not follow up on these findings because they accepted the subrecipients' responses to the audit findings, and they believed no further action was necessary.

To strengthen internal controls over subrecipient monitoring and ensure compliance with federal regulations, the SEMA should establish procedures to follow up on subrecipient audit findings involving PA program awards and issue management decisions on subrecipient audit findings. OMB Circular A-133 Section 300(b) and 2 CFR Section 200.303(a) require the non-federal entity to maintain internal control over federal awards that provides reasonable assurance that the non-federal entity is managing federal awards in compliance with federal laws and terms and conditions of the federal awards.

B. Award identification

The SEMA did not establish internal controls to ensure subawards included all federal award information required by federal regulations. The SEMA sends an award letter at the time of the subaward, notifying the subrecipient of certain required information. However, the award letter does not identify the Catalog of Federal Domestic Assistance (CFDA) number and name as required by federal regulations. SEMA personnel indicated this information was verbally communicated to subrecipients, but could not explain why it was not formally documented in the award letters.

OMB Circular A-133 Section 400(d) and 2 CFR Section 200.331(a) require the SEMA, as a pass-through entity, to ensure every subaward includes certain information at the time of the subaward, including the CFDA number and name.

Without properly communicating federal award information to subrecipients, the SEMA has less assurance subrecipients properly prepare their Schedules

of Expenditures of Federal Awards (SEFAs) and obtain required single audits. Additionally, OMB Circular A-133 Section 300(b) and 2 CFR Section 200.303(a) require the non-federal entity to maintain internal control over federal awards that provides reasonable assurance that the non-federal entity is managing federal awards in compliance with federal laws and terms and conditions of the federal awards.

Recommendations

The SEMA:

A. Strengthen internal controls and procedures to follow up on subrecipient audit findings related to PA program awards and issue management decisions for the applicable audit findings as required by federal regulations.

B. Strengthen internal controls and procedures to communicate all required federal award information to subrecipients at the time of the subaward as required by federal regulations.

Auditee's Response

A. We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

B. We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2018-017. MoDOT Project Closeouts and Final Vouchers

Federal Agency:	Federal Highway Administration (FHWA)
Federal Program:	20.205 Highway Planning and Construction Various awards
State Agency:	Missouri Department of Transportation (MoDOT)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance
Questioned Costs:	$19,432

The MoDOT's procedures related to preparation and review of Highway Planning and Construction program project closeouts and final vouchers were not sufficient to ensure the proper reporting of total project costs and the proper determination of the federal and state/local shares of project costs. As a result, the MoDOT incorrectly reported the costs of 2 projects, causing an overstatement of the federal share of costs for one project and an incorrect allocation of local entity matching funds for another project.

Rule 2 CFR Section 200.343 requires the MoDOT to perform project closeout procedures and submit required financial reports to the FHWA. Title 23 USC Section 120(b) sets the federal share payable for Highway Planning and Construction program projects at 80 percent of total project costs. Title 23 USC Section 133(f)(3) allows local entities receiving MoDOT subgrants to claim soft match credits against the required local share. These soft match

credits are earned by local entities for certain local expenditures on qualifying non-federal aid projects.

As project costs are incurred, the MoDOT's Financial Services unit requests reimbursement from the FHWA for the federal share of project costs. After project completion, the MoDOT's closeout procedures require the Financial Services Specialist to review and reconcile project costs to ensure the costs were properly claimed for federal reimbursement and to prepare and submit a final voucher to the FHWA reporting total project costs, federal share, and state/local share. The final voucher is completed using information reported in the state's computerized accounting (SAM II) system, and/or the project file. The Financial Services Manager is responsible for reviewing and approving the final voucher. During the year ended June 30, 2018, the MoDOT closed and prepared final vouchers for 592 projects.

We tested a sample of final vouchers filed during the year ended June 30, 2018, for 40 projects and noted 2 projects (5 percent) for which project costs were overstated and the federal and state/local shares were incorrectly reported.

For one project, total costs, federal share, and state share were overstated because total actual payments were incorrectly reported in the final project voucher as the federal share of costs. The federal share percentage had been incorrectly recorded in the SAM II system as 100 percent rather than the required 80 percent. When preparing the final project voucher, the staff used the incorrect federal share amount shown in the SAM II system to calculate the state share of costs. Consequently, state funds and total project costs were incorrectly reported in the final project voucher based on the overstated federal share. We question the federal share of the project costs incorrectly claimed for reimbursement, or $19,432, as noted in the following table.

		Reported	Actual	Reported Over/(Under) Actual
Federal funds	$	97,160	77,728	19,432
State funds		24,290	19,432	4,458
Total project costs	$	121,450	97,160	23,890

For another project, total costs and local funds were overstated and federal share (including local soft match) was understated because (1) a portion of the local entity's soft match credits was omitted from the federal funds, (2) some local entity right of way costs were excluded from the federal share, and (3) an estimate, rather than the actual, was incorrectly reported for local funds. These errors caused the local entity to incur unreimbursed right of way costs totaling $7,481 and to pay $6,857 from local funds rather than using available soft match credits, as noted in the following table.

		Reported	Actual	Reported Over/(Under) Actual
Federal funds:				
federal share	$	530,218	537,699	(7,481)
local soft match		123,947	130,804	(6,857)
Federal funds	$	654,165	668,503	(14,338)
Local funds		28,275	3,621	24,654
Total project costs	$	682,440	672,124	10,316

These misstatements were not detected by the Financial Services Manager during review of the final vouchers. More thorough reviews of actual project costs, match amounts, and available soft match credits are needed during the project closeout and final voucher preparation process.

Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." Effective internal controls should include detailed reviews of actual project costs including comparisons of costs to supporting records, and recalculations of the federal, state, and local share amounts.

Recommendation

The MoDOT strengthen project closeout procedures to ensure project costs, including federal and state/local share are accurately reported on final vouchers.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2018-018. MoDOT Subrecipient Risk Assessments

Federal Agency:	Federal Highway Administration
Federal Program:	20.205 Highway Planning and Construction Various awards
State Agency:	Missouri Department of Transportation (MoDOT)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance

The MoDOT did not adequately perform and document risk assessments of Highway Planning and Construction program subrecipients (local public agencies (LPAs)), and did not use prepared risk assessments to determine the nature, timing, and extent of monitoring procedures. During the year ended June 30, 2018, the MoDOT disbursed approximately $108 million to approximately 245 LPAs for costs related to Highway Planning and Construction program projects.

Rule 2 CFR Section 200.331(b) requires pass-through entities to evaluate each LPA for the risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate LPA monitoring. Rule 2 CFR Section 635.105 requires the MoDOT to ensure each LPA is adequately staffed and suitably equipped to satisfactorily complete the project, and to ensure LPA projects are completed in conformance with approved plans and specifications.

The MoDOT district offices are responsible for monitoring LPA performance. The district offices provide training to LPAs and monitor all LPA projects, including review and approval of plans, bids, contracts, and progress invoices, and performs periodic on-site inspections. The MoDOT developed an official LPA Certification Process document that requires district offices to perform risk assessments on spreadsheet forms and to classify each LPA as low, moderate, or high risk. According to a MoDOT official, the certification process was designed primarily to aid in satisfying monitoring requirements of 23 CFR Section 635.105, but was also intended to satisfy the requirements of 2 CFR Section 200.331(b). Additionally, the Audits and Investigations (AI) unit reviews external audits and performs agreed-upon procedures engagements for some LPAs.

However, we noted the MoDOT's risk assessments were not always completed and documented, and prepared risk assessments were not always used to make monitoring decisions. The LPA Certification Process document states the risk assessments affect the amount of oversight required, but the process provides no additional guidance regarding the monitoring activities necessary for each risk level. Additionally, the district offices did not use prepared risk assessments to determine the type of monitoring necessary for each LPA. According to a MoDOT official, prepared risk assessments are primarily used for making decisions about awarding future projects to the LPAs. Additionally, the spreadsheet forms prepared by the district offices detailing the risk assessments for each LPA were not always complete or consistently prepared. Neither the spreadsheet forms nor the LPA Certification Process document provide guidance for completing the risk assessments, such as the specific information to record for each risk factor and how to use the information to determine the LPA's risk level.

Furthermore, the AI did not adequately document evaluations of LPA risk of noncompliance for purposes of selecting entities for agreed upon procedures engagements (audits). An AI official indicated the AI considers certain risk factors such as prior experience and project size when identifying LPAs for which audits appear necessary. The AI provided a list of LPAs flagged for potential audit including brief comments about each listed LPA, but it was not clear from the documentation that risk had been assessed for each LPA, what factors caused the listed LPAs to be identified for potential audit, or the basis for selecting the LPAs for audit.

To comply with federal regulations, the MoDOT should strengthen risk assessment policies and procedures and fully utilize the risk assessments to determine the nature, timing, and extent of monitoring procedures. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The MoDOT ensure risk of noncompliance with federal statutes, regulations, and terms and conditions of the subaward is assessed on each LPA, and used for monitoring decisions as required by federal regulations. Policies and procedures should be strengthened to define risk assessment criteria; require risk assessments to be complete and documented; and include guidelines for using the risk assessments to determine the nature, timing, and extent of monitoring procedures.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

Additional State Auditor's Reports

The Missouri State Auditor's Office regularly issues audit reports on various programs, agencies, and divisions of the state of Missouri. Audit reports may include issues related to the administration of federal programs. We reviewed the reports issued from April 2018 to March 2019 and the following reports relate to a federal program.

Report Number	Report Name
2018-032	Supplemental Nutrition Assistance Program (SNAP) Data Analytics Program
2018-064	Crime Victims' Compensation System Data Security
2018-105	Temporary Assistance for Needy Families (TANF) Data Analytics
2018-125	Home and Community Based Services
2018-134	Department of Social Services Prescription Drug Oversight
2019-008	Unemployment Insurance System Data Security

All reports are available on the Missouri State Auditor's Office website: http://auditor.mo.gov.

State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The Uniform Guidance requires the auditor to follow up on prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and report, as a current year audit finding, when the auditor concludes the schedule materially misrepresents the status of any prior audit finding.

Michael L. Parson
Governor

Sarah H. Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: http://www.oa.mo.gov/acct
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The Schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The attached documents are the Summary Schedule of Prior Audit Findings for the year ended June 30, 2018, and includes all findings from the audit for the Fiscal Year ended June 30, 2017, and certain similar findings from the audits for the Fiscal Years ended June 30, 2016, 2015, 2014, 2013, 2012, 2011, and 2010.

These documents were prepared by the applicable State agencies as noted with each prior year finding.

2017-001A. Unemployment Compensation Fund - Financial Reporting and Benefit Payment Account Controls

State Agency: Department of Labor and Industrial Relations (DLIR)

The DLIR implemented the UInteract system without fully developing and testing financial reports needed to manage and report Unemployment Compensation Fund (UCF) activities. Some reports were inaccurate and some data was not converted completely and accurately from the legacy system to the UInteract system. As a result, certain UCF data submitted to the Office of Administration - Division of Accounting for inclusion in the *Missouri Comprehensive Annual Financial Report* for the year ended June 30, 2017, was misstated. In addition, corrections to system data were made in a manner that was not subject to the system's logging capabilities and there were no records or other audit trails supporting changes to the master records.

Recommendation:
The DLIR develop a comprehensive plan to resolve the identified UInteract system financial reporting issues. In addition, procedures should be established to ensure corrections to UInteract system data occur in a manner subject to the system's logging capabilities.

Status of Finding:
Corrective action was taken. Reporting issues have been addressed and corrections are logged and documented. The U.S. Department of Labor did not include this finding in its Initial Determination dated July 20, 2018; therefore, a response by DLIR was not required.

Contact Person: Rebecca Voss
Phone Number: 573-751-1135

2017-001B. Unemployment Compensation Fund - Financial Reporting and Benefit Payment Account Controls

State Agency: Department of Labor and Industrial Relations (DLIR)

Due to various UInteract system implementation and financial reporting problems, Unemployment Compensation Fund (UCF) net accounts receivable information submitted by the DLIR to the Office of Administration - Division of Accounting (DOA) was understated for the year ended June 30, 2017. Finalized accounts receivable reports, which were not developed until 11 months after system implementation and 5 months after fiscal year end, were not adequately tested for accuracy prior to submission to the DOA. The errors were not detected by DLIR staff and the incorrect information was used by DOA to prepare the *Missouri Comprehensive Annual Financial Report.*

Recommendation:
The DLIR implement controls and procedures to prepare and submit accurate and timely UCF accounts receivable reports to the DOA.

Status of Finding:
Corrective action was taken. DLIR implemented controls and procedures to ensure information provided to DOA was accurate and timely. The U.S. Department of Labor did not include this finding in its Initial Determination dated July 20, 2018; therefore, a response by DLIR was not required.

Contact Person: Rebecca Voss
Phone Number: 573-751-1135

2017-001C. Unemployment Compensation Fund - Financial Reporting and Benefit Payment Account Controls

State Agency: Department of Labor and Industrial Relations (DLIR)

The DLIR did not implement adequate controls and procedures for reporting and reconciling the activities of the Unemployment Compensation Fund (UCF) benefit payment bank account. As a result, UCF cash and disbursement information reported to the Office of Administration - Division of Accounting was potentially misstated. The DLIR did not reconcile the benefit payment bank account until over 1 year after UInteract system implementation and these bank reconciliations contained numerous errors and were not reliable.

Recommendation:
The DLIR implement controls and procedures to prepare accurate reports for reporting and reconciling benefit payment bank account activity. In addition, the DLIR should ensure monthly reconciliations of the benefit payment account are performed timely and differences between accounting records and reconciliations are promptly investigated and resolved. Restatements should be made for any material misstatements identified.

Status of Finding:
Corrective action was taken. Bank reconciliations have been prepared timely and differences investigated. The U.S. Department of Labor (USDOL) did not include this finding in its Initial Determination dated July 20, 2018; therefore, a response by DLIR was not required. The USDOL did resolve finding 2017-005 Unemployment Insurance Benefit Payment Bank Account Internal Controls which is related.

Contact Person: Rebecca Voss
Phone Number: 573-751-1135

2017-002. Unemployment Compensation Fund - Segregation of Duties

State Agency: Department of Labor and Industrial Relations (DLIR)

The DLIR did not adequately segregate the duties of administering Unemployment Insurance (UI) benefits and authorizing transactions from the Unemployment Compensation Fund benefit payment bank account. A Division of Employment Security (DES) Benefits Analyst occasionally contacted the bank directly to authorize and reverse UI benefit payments from the benefit payment bank account. These bank transactions were made without any independent supervisory review and the DLIR Administration - Financial Management Unit (FM) was not notified of these transactions.

Recommendation:
The DLIR through the DES and the FM restrict employee access to UI bank accounts and adequately segregate duties related to administering UI benefits and authorizing transactions from the UI bank accounts.

Status of Finding:
Corrective action has been taken. A list of staff authorized to communicate with the bank has been incorporated into the banking contract. The U.S. Department of Labor did not include this finding in its Initial Determination dated July 20, 2018; therefore, a response by DLIR was not required. The USDOL did resolve finding 2017-009 Unemployment Insurance Segregation of Duties, which is related.

Contact Person: Rebecca Voss
Phone Number: 573-751-1135

2017-003. Unemployment Compensation Fund - Transfers

State Agency: Department of Labor and Industrial Relations (DLIR)

The DLIR did not establish procedures to transfer interest and penalty collections to the Special Employment Security Fund (SESF) as required by state law. As of June 30, 2017, the DLIR had not transferred interest and penalties totaling approximately $3.4 million held in the Unemployment Compensation Fund to the SESF.

Recommendation:
The DLIR establish procedures to ensure interest and penalty collections are transferred to the SESF, as required by state law.

Status of Finding:
Corrective action has been taken. Transfers to the SESF are current. The U.S. Department of Labor (USDOL) did not include this finding in its Initial Determination dated July 20, 2018; therefore, a response from DLIR was not required

Contact Person: Rebecca Voss
Phone Number: 573-751-1135

2017-004. Unemployment Insurance Federal Reporting

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR)

The DLIR did not establish adequate controls and procedures to prepare and submit accurate, complete, and timely federal reports for the Unemployment Insurance program. Our review of various federal reports identified several federal financial reports that were not accurate and/or were not submitted within the required timeframes.

Recommendation:
The DLIR establish controls and procedures to ensure required federal reports are accurately prepared and submitted in accordance with federal requirements. These procedures should ensure the UInteract system supporting queries and reports are properly designed and programmed to achieve federal reporting objectives. In addition, the DLIR should continue to review, revise, and resubmit previously submitted inaccurate federal reports.

Status of Finding:
Corrective action has been taken. Federal reports from Fiscal Years 2017 and 2018 have been reviewed. If necessary, revised reports have been resubmitted. Current reports are accurate and timely. The U.S. Department of Labor has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected.

Contact Person: Candace Williams
Phone Number: 573-522-3699

2017-005. Unemployment Insurance Benefit Payment Bank Account Internal Controls

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR)

The DLIR did not implement adequate controls and procedures for reporting and reconciling the activities of the Unemployment Insurance benefit payment bank account.

Recommendation:
The DLIR implement controls and procedures to prepare accurate reports for reporting and reconciling benefit payment bank account activity. In addition, the DLIR should ensure monthly reconciliations of the benefit payment account are performed timely and differences between accounting records and reconciliations are promptly investigated and resolved. Restatements should be made for any material misstatements identified.

Status of Finding:
Corrective action was taken. Bank reconciliations have been prepared timely and differences investigated. The U.S. Department of Labor has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected.

Contact Person: Rebecca Voss
Phone Number: 573-751-1135

2017-006. Unemployment Insurance Wage Cross-matches

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR) - Division of Employment Security (DES)

The DES did not follow established controls over Unemployment Insurance program eligibility and payments related to wage cross-matches, and as a result, federally-required wage cross-matches were not performed during the 9-month period after implementation of the new UInteract computerized system.

Recommendation:
The DLIR through the DES ensure wage cross-matches are performed in accordance with federal requirements.

Status of Finding:
Corrective action was taken. Cross-match investigations are now completed in compliance with federal requirements. The U.S. Department of Labor has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected.

Contact Person: Candace Williams
Phone Number: 573-522-3699

2017-007A. Unemployment Insurance Benefit Accuracy Measurement Program

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR) - Division of Employments Security (DES)

The DES did not complete Unemployment Insurance program Benefit Accuracy Measurement (BAM) case investigations within the required timeframes.

Recommendation:
The DLIR through the DES ensure BAM case investigations are completed within federally-required time frames.

Status of Finding:
Corrective action was taken. Case investigations are now completed within prescribed timelines. The U.S. Department of Labor has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected.

Contact Person: Candace Williams
Phone Number: 573-522-3699

2017-007B. Unemployment Insurance Benefit Accuracy Measurement Program

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR) - Division of Employment Security (DES)

Benefit Accuracy Measurement (BAM) paid claim case investigations performed during the period October 2016 to July 2017 did not include National Directory of New Hires (NDNH) wage cross-matches.

Recommendation:
The DLIR through the DES ensure BAM case investigations include NDNH cross-matches as required.

Status of Finding:
Corrective action was taken. BAM case investigations now include NDNH cross-matches as required. The U.S. Department of Labor has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected.

Contact Person: Candace Williams
Phone Number: 573-522-3699

2017-007C. Unemployment Insurance Benefit Accuracy Measurement Program

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR) - Division of Employment Security (DES)

The DES did not establish written policies and procedures regarding supervisory reviews of Benefit Accuracy Measurement (BAM) case investigations.

Recommendation:
The DLIR through the DES establish written policies and procedures regarding supervisory reviews of BAM case investigations.

Status of Finding:
Corrective action was taken. The BAM manual has been expanded to include information regarding supervisory reviews of case investigations. The U.S. Department of Labor has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected.

Contact Person: Candace Williams
Phone Number: 573-522-3699

2017-008. Unemployment Insurance Maximum Benefit Amount

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR) - Division of Employment Security (DES)
Questioned Costs: $134,388

The DES did not properly design and implement internal controls to ensure the new Unemployment Insurance computerized system (UInteract) correctly calculated claimant Maximum Benefit Amounts (MBA). As a result, the MBA for some claimants was incorrectly calculated and some claimants received overpayments.

Recommendation:
The DLIR through the DES continue to establish and monitor controls to ensure the UInteract system properly calculates claimant MBA and continue efforts to collect identified overpayments.

Status of Finding:
Corrective action was taken. All impacted claims were corrected and overpayments have been established, if appropriate. The U.S. Department of Labor (USDOL) has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected. The USDOL has disallowed the $134,388 questioned costs and determined it is not subject to federal debt collection.

Contact Person: Matthew Hankins
Phone Number: 573-526-8219

2017-009. Unemployment Insurance Segregation of Duties

Federal Agency: U.S. Department of Labor
Federal Program: 17.225 Unemployment Insurance
State Agency: Department of Labor and Industrial Relations (DLIR) - Division of Employment Security (DES) and DLIR Administration - Financial Management Unit (FM)

The DLIR did not adequately segregate the duties of administering Unemployment Insurance (UI) benefits and authorizing transactions from the benefit payment bank account.

Recommendation:
The DLIR through the DES and the FM restrict employee access to UI bank accounts and adequately segregate duties related to administering UI benefits and authorizing transactions from the UI bank accounts.

Status of Finding:
Corrective action has been taken. A list of staff authorized to communicate with the bank has been incorporated into the banking contract. The U.S. Department of Labor has resolved this finding and determined that documentation submitted by DOLIR confirms that it has been corrected.

Contact Person: Rebecca Voss
Phone Number: 573-751-1135

2017-010. Child Care Eligibility and Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Questioned Costs: $1,659 (2017)
Similar Findings: 2016-002A, 2015-002, 2014-005, 2013-009, 2012-11A&B, 2011-14A, and 2010-16A

DSS controls over Child Care Development Fund (Child Care) subsidy eligibility and provider payments were not sufficient to prevent and/or detect payments made on behalf of ineligible clients or improper payments to child care providers. Payments were made on behalf of one ineligible client and overpayments were made to some providers.

Recommendation:
The DSS through the CD and the FSD continue to review, strengthen, and enforce policies and procedures regarding Child Care subsidy eligibility determinations and provider payments. These procedures should include sufficient monitoring of eligibility determinations and provider payments and follow up on errors identified.

Status of Findings:
The DSS disagrees that controls are not sufficient to prevent and/or detect payments on behalf of ineligible clients found in the FY2017 Single Audit. One eligibility error out of 60 cases was found resulting in questioned costs of $1,085 ($846 federal share), and the error was a result of a parent not reporting loss of employment; this was not an error on the part of DSS. One client error does not support the conclusion that "Controls are not sufficient to prevent payment on behalf of ineligible clients" or that DSS has only limited procedures to review eligibility determinations." One error does not represent a material internal control weakness nor warrant an audit finding on noncompliance.

The DSS agrees additional controls are needed to ensure payments are adequately supported. In September 2017, the DSS awarded a contract to Control Tec for a Child Care Business Information Solution (CCBIS). This electronic solution will replace the current paper attendance records allowing for greater control of attendance tracking, invoicing, and monitoring for provider compliance. Implementation is scheduled to begin mid-November 2018 and with the CCBIS to be fully implemented by fall 2019.

Contact Person: Marianne Dawson
Phone Number: 573-522-2294

2017-011. Child Care Provider Monitoring

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Similar Finding: 2016-002B

The DSS' procedures to follow up on provider noncompliance identified during Child Care Review Team (CCRT) reviews were not sufficient. The CCRT and the CD did not establish criteria or guidance for determining the type and extent of follow-up action, if any, to address identified provider noncompliance. For some reviews that appeared to require follow up, the CCRT required the providers to repay the overpayments, but took no further action to address the provider noncompliance, such as referring the provider to the CD for training or other corrective action, or conducting another follow-up review. For some reviews in which the provider was referred to the CD for training or other corrective action, the provider did not complete the training within the required 45 days and the CD did not follow up timely with the provider or terminate the contract.

Recommendation:
The DSS through the DFAS and the CD establish and enforce procedures to ensure proper follow up on noncompliance identified during CCRT reviews is performed. These procedures should include criteria for determining the type and extent of follow-up action that should be taken, and provide for continued monitoring and final resolution of provider compliance.

Status of Findings:
The CCRT has established the following new procedures:

- Notified all child care providers of new future monitoring and follow-up processes.
- Updated entrance letters to clarify requirements for submitting attendance records to the DSS.
- If the review finds error rates of 5% or more, DSS's notification letter to the provider references Educare training as an option to be completed within 45 days of the date of the letter.
- A follow up review will be conducted of the first full month's records following the 45-day Educare option provided in the decision letter.
- If the provider has an error rate in excess of 5% in the follow up review, the provider will be referred to Early Childhood and Prevention Services Section for corrective action.

Contact Person: Brenda Labella
Phone Number: 573-526-6806

2017-012. Child Care Provider Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Questioned Costs: $1,189 (2017)
Similar Findings: 2016-001, 2015-003, 2014-006, and 2013-010

The DSS did not have adequate controls and procedures in place to ensure "four-or-less" (FOL) child care providers participating in the Child Care Development Fund (Child Care) subsidy program complied with statutory requirements for license-exempt status. For some FOL providers reviewed, DSS employees did not follow the department's procedures to ensure the providers do not care for more than four unrelated Child Care subsidy children. As a result, the DSS classified the children as related to their FOL child care providers and made Child Care subsidy payments to the providers without obtaining the required documentation to support the relationships.

Recommendation:
The DSS through the CD and the FSD continue to improve controls and procedures to ensure clients and FOL child care providers participating in the Child Care subsidy program comply with DSS policy, and FOL providers comply with state licensing requirements.

Status of Findings:
The DSS did not agree with the audit finding and did not believe a corrective action was required. As noted in the audit finding, effective April 2017, DSS Child Care policy requires eligibility specialists to enter a relationship code of unrelated until the Child to Provider Relationship form is received. Additionally, DSS implemented procedures requiring supervisors to review a daily report of all FOL authorizations and make corrections as needed. No errors were identified by the SAO after this policy was put into place. All corrective actions for the previous audit finding have been successfully implemented. DSS disagrees that there was a material internal control weakness and disagrees that a finding of noncompliance was appropriate.

Contact Person: Marianne Dawson
Phone Number: 573-522-2294

2017-013. MO HealthNet Division Provider Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and Missouri Medicaid Audit and Compliance (MMAC)
Questioned Costs: $223,188,969 (2017)
Similar Finding: 2016-003A

The DSS did not fully implement federal revalidation requirements for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). As of June 30, 2017, the DSS had not performed required revalidations for 71 percent of Medicaid and CHIP providers requiring revalidation.

Recommendation:
The DSS through the MHD and the MMAC revalidate Medicaid and CHIP providers every 5 years as required by federal regulations.

Status of Findings:
On July 6, 2018, CMS sent their management decision regarding 2017-013 to DSS:

> SAO Recommendation: This is a material instance of non-compliance, a material weakness, and a repeat finding. We recommend that the MO HealthNet Division revalidate Medicaid and CHIP providers every five years as required by federal regulation.
>
> CMS Decision regarding SAO recommendation: We concur with the finding based on the work conducted by the state auditor. However, there is no federal regulation or policy that requires a financial penalty or disallowance action for payments made to providers that have not been revalidated and are otherwise eligible providers. Therefore, no adjustment is required for this recommendation on the next CMS-64.

As of June 30, 2017, MMAC had revalidated 9,699 providers out of 33,194 (29%) requiring revalidation. During SFY 2018, MMAC revalidated 8,070 providers. As of June 30, 2018, MMAC had revalidated 17,236 out of 33,265 (51.8%) requiring revalidation.

Effective July 1, 2018, the legislature authorized three additional full time positions for the MMAC Provider Enrollment Unit (PEU). Those three new employees have been hired. MMAC created a Revalidations Section within the PEU consisting of one Medicaid Specialist and two Medicaid Clerks to work revalidation applications full-time. The Revalidations Section is also being supplemented with temporary staff.

During SFY 2018, MMAC received CMS approval to contract with the state Medicaid Management Information System (MMIS) vendor (Wipro Infocrossing) for the implementation of a 100% electronic revalidations portal on Wipro's existing EMOMED system. The contract has a 24 week implementation schedule. Implementation began on July 9, 2018 and was completed on January 7, 2019. The new revalidations portal will

allow MMAC to replace the current paper application process and eliminate duplicate enrollment data entry in multiple databases. The contract includes having the vendor notify Medicaid providers that they are due for revalidation and directing them to the electronic portal. The new solution allows MMAC PEU to run reports and know the status of any or all revalidation applications in progress. Using the new revalidations solution, MMAC intends to eliminate the backlog of overdue revalidations before June 30, 2019.

During SFY 2018, MMAC continued to conduct monthly monitoring of approximately 60,000 active providers and their owners, directors, officers, and managing employees through a contract with Lexis-Nexis and Wipro Infocrossing. Even if a provider's enrollment has not been revalidated timely, MMAC is still conducting a robust set of federal and state database checks (which exceed CMS requirements) to verify the continuing eligibility of each enrolled provider to continue to participate in the Missouri Medicaid program.

Contact Person: Kim Dowd
Phone Number: 522-1358

2017-014. MO HealthNet Division Cash Receipt Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Similar Findings: 2016-004A&C and 2015-009A&C

The MHD did not have adequate controls in place to ensure the proper management of receipts received by the division. The MHD did not adequately restrict user access within the cash receipts and accounts receivable modules of the Medicaid Management Information System (MMIS). In addition, the MHD did not implement procedures to ensure the accuracy of the cash control number log, monitor deleted cash control numbers, and remove the ability to delete cash control numbers until we made inquiries after the audit period.

Recommendation:
The DSS through the MHD continue to restrict user access within the MMIS and adequately segregate duties related to record keeping and asset custody, or perform documented supervisory reviews of MMIS entries and changes.

Status of Findings:
The Finance staff members in the Financial Operations and Reporting Unit (FORU) no longer have deletion capacity. Quarterly reports continue to be created and reviewed by the Supervisor of the FORU to ensure that if a FORU staff member entered checks and assigned them to an account that those funds were dispositioned accurately.

Contact Person: Hannah Swann
Phone Number: 526-4671

2017-015. Medicaid Physician-Administered Drugs

Federal Agency: Department of Health and Human Services (DHHS)
Federal Program: 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Questioned Costs: $242,656

The MHD did not establish controls to comply with Medical Assistance Program (Medicaid) requirements to invoice prescription drug manufactures for rebates for certain physician-administered drugs. As a result, the MHD claimed costs of physician-administered drugs that were not allowable costs of the program because rebates were not billed for the drugs.

Recommendation:
The DSS, through the MHD, continue to establish controls to ensure the required drug utilization data is obtained for all physician-administered drug claims and claim only allowable costs for the Medicaid. These controls should include procedures to recoup and reimburse the DHHS for claims identified as noncompliant.

Status of Finding:
This recommendation regarding obtaining drug utilization data makes changes to a very complex process governed by differing federal and state agreements and as such the Department of Social Services has a two part response.

1) "Gateway to Better Health" is a section 1115 demonstration project approved in accordance with section 1115(a) of the Social Security Act. Approval of the demonstration project is subject to the limitations specified in the Special Terms and Conditions (STCs) attached to the demonstration approval. As stated in Section V of the STC Gateway specialty care claims are reimbursed by an alternate payment methodology established at 100% of the Medicare rates. The specialty care claims must be submitted with a procedure code in order for the claim to be priced using the Medicare rate methodology required under the "Gateway to Better Health" demonstration program. Medicare does not collect drug rebate and as a result the National Drug Code (NDC) isn't included on the claim. The audit finding states that the claims lacked the required NDCs to bill manufacturers for rebates. The NDCs were not included on the claims because they are paid under an alternate payment methodology as approved in the 1115 demonstration and are not required under the Medicare rate methodology.

   Section 1902(a)(54) states that if a state plan provides medical assistance for covered outpatient drugs, the state has to comply with the requirements of section 1927. However, DSS received notification from CMS on November 9, 2018 that the Division of Pharmacy subject matter experts made a specific determination on rebates for drugs reimbursed under the Gateway to Better Health (GTBH) section 1115 demonstration. CMS determined that the state is not required to comply with the requirements of section 1927, due to the limited nature of the GTBH pharmacy benefit.

2) MHD identified claims in September 2016 (JIRA ticket was created on September 30, 2016 with the "fix" put into production November 30, 2016 by WIPRO) and the modification was completed in February 2017 in the Medicaid Management

Information System (MMIS) to prevent submission of physician-administered drug claims as procedural claims, thereby ensuring NDCs are submitted when required. Going forward, MHD has made the necessary system changes to ensure accuracy.

Contact Person: Kim Dowd
Phone Number: 573-522-1358

2017-016. Medicaid Aged, Blind, and Disabled Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Similar Findings: 2016-005, 2015-012A, and 2014-013A

The DSS did not ensure monthly supervisory case reviews were completed as required for call center employees who performed eligibility determinations for aged, blind, and disabled individuals in the Medical Assistance Program (Medicaid).

Recommendation:
The DSS through the MHD and the FSD ensure supervisory call reviews are performed and documented as required by DSS policy.

Status of Findings:
Since November 2017, when the FSD created a centralized shared drive to save all quality monitoring forms for each call center eligibility specialist. The FSD has followed the established Quality Assurance Process and has completed and documented supervisory reviews as required by DSS policy.

Contact Person: Heather Atkins
Phone Number: 573-751-4269

2017-017. Medicaid Developmental Disabilities - Comprehensive Waiver Per Diem Rates

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
State Agency: Department of Mental Health (DMH) - Division of Developmental Disabilities (DD)
Questioned Costs: $416,966 (2017)
Similar Findings: 2016-006 and 2015-015

The DD did not retain documentation to support the per diem rates paid to some providers for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) program. As a result, the DD could not demonstrate amounts paid to some providers were allowable costs of the Comprehensive Waiver program.

Recommendation:
The DMH through the DD ensure documentation to support habilitation services per diem rates is maintained to support Comprehensive Waiver program payments for these services as required, and ensure rates only include allowable costs.

Status of Findings:
The Centers for Medicare and Medicaid Services (CMS) does not agree with the finding per their letter dated July 6, 2018. CMS is not pursuing a disallowance for this finding.

Contact Person: Bryan Connell
Phone Number: (573)751-8041

State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2018

The Uniform Guidance requires the auditee to prepare a Corrective Action Plan (CAP) for each finding reported in the Statewide Single Audit report. The CAPs were prepared by the management of the applicable state agencies.

Michael L. Parson
Governor

Sarah H. Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: http://www.oa.mo.gov/acct
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

CORRECTIVE ACTION PLANS

The State of Missouri's Office of Administration, Division of Accounting respectfully submits the following Corrective Action Plans for the findings related to the Statewide Single Audit for fiscal year ended June 30, 2018. Each Corrective Action Plan was prepared by the State agency noted.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Revenue (DOR)

Audit Finding Number: 2018-001 Financial Reporting Controls

Name of the contact person
Responsible for corrective action: Esta Zaring

Anticipated completion date for corrective action: Completed

Corrective action planned is as follows:

The Department of Revenue took corrective action following the State Auditor's notification of the misstated accounts receivable balance for some sales and use tax accounts. The corrective action included a detailed review of the data extracted from the system and completing reconciliation steps to validate the data. The corrected receivables were resubmitted and validated by the State Auditor. The Department of Revenue will use the same corrected methodology to produce the accounts receivable reports at the end of this fiscal year.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Corrections (DOC)

Audit Finding Number: 2018-002 SAMII User Account Controls

Name of the contact person
Responsible for corrective action: Susan Pulliam, Chief Financial Officer

Anticipated completion date for corrective action: Already Implemented

Corrective action planned is as follows: The DOC agrees with the finding. The two staff members in DOC with the authority to enter and approve expenditure transactions have now been restricted to only approve expenditure transactions. Monthly reports generated by the Office of Administration listing each DOC SAMII user and corresponding access will be reviewed by the Chief Financial Officer to confirm that no user has the ability to approve expenditure transactions they create.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS)

Audit Finding Number: 2018-003 - SAM II User Account Controls

Name of the contact person
Responsible for corrective action: Theresa McDonald

Anticipated completion date for corrective action: Completed

Corrective action plan is as follows:

The DSS partially agrees with the finding. DSS agrees SAM II users should not have self-approval access; however, DFAS Accounts Payable does have internal processes and procedures to separate data entry and approval functions. Additionally, DSS provided the SAO a copy of the SAM II authorization form for one of the two users which reflects the DSS did not request self-approval access for this user. However, upon learning of the self-approval access, the DSS took the necessary steps to have the self-approval access removed for both users. Furthermore, the DSS plans to review the SAM II access report on a monthly basis to ensure self-approval access is not granted to DSS users.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS) – Children's Division (CD) and Division of Finance and Administrative Services (DFAS)

Audit Finding Number: 2018-004 Adoption Assistance Eligibility

Name of the contact person
Responsible for corrective action: Amy Martin and Jodi Rush

Anticipated completion date for corrective action: May 2019

Recommendation: The DSS through the CD and the DFAS strengthen and enforce policies and procedures regarding Adoption Assistance eligibility determinations. These procedures should ensure all adoption subsidy agreements are signed and in effect prior to the adoption and ensure eligibility determinations are proper, documented, and retained. In addition, the DSS should review and correct the eligibility for the children identified in this finding.

The DSS partially agrees with this finding. The DSS agrees with strengthening and enforcing policies and procedures regarding Adoption Assistance eligibility determination; however, the department implemented new processes in FY 2008 regarding backdating subsidy agreements.

Corrective action planned is as follows:

The DSS will continue new worker training and refresher training of adoption assistance staff regarding adoption assistance agreement requirements and quality assurance reviews to assure service start dates are after the date of the director's signature on the agreement. The DSS will continue to train IV-E Eligibility Analysts on criteria for applicable/non-applicable child for the adoption subsidy determination.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS), Division of Finance and Administrative Services (DFAS)

Audit Finding Number: 2018-005 DSS Public Assistance Cost Allocation Plan

Contact Person: Kristen Pattrin

The DSS does not agree with the audit findings and believes that corrective action is not required. Explanation and specific reasons are as follows:

Recommendation A: Implement internal controls and procedures over the PACAP and the AlloCAP system to ensure costs charged to federal programs are accurate, allowable, properly allocated, and consistent with the proposed and/or approved PACAP. Internal controls should be adequately documented and monitored for compliance with applicable requirements. These controls should include policies and procedures, a log of changes to the PACAP and the AlloCAP system, and documentation of approvals and testing of system changes.

Response: The DSS firmly disagrees with this finding/recommendation.

Audit Requirements for Federal Awards are covered under 2 CFR 200. Under section 200.516 subpart 7, auditors are required to indicate whether an audit finding represents an isolated instance or a systematic problem. Instances identified must be related to the universe and the number of cases examined and be quantified in terms of dollar value. The auditor should report whether the sampling was a statistically valid sample.

As noted in the audit finding, the sample selected included 14 cost centers allocated during the quarter ending March 31, 2018 and for every cost center examined, it was determined that all costs were supported and allocated in accordance with the proposed Public Assistance Cost Allocation Plan (PACAP). No deviations were found in the tested sample to support that the DSS did not effectively design, implement, or put controls in place to prevent detection of non-compliance.

In addition to the successful results of the tested sample supporting DSS' position, the DSS has provided sufficient evidence to demonstrate internal controls and procedures to ensure costs charged to federal programs are accurate, allowable, and properly allocated.

Effective October 1, 2017, the DSS transitioned from utilizing an indirect cost rate methodology allocated manually on a spreadsheet to implementing a PACAP to directly allocate through cost pools which is allocated systematically in a proprietary cost allocation system. Implementation of a thoroughly documented PACAP coupled with the AlloCAP system supports that DSS has

strengthened internal controls and procedures. Additionally, the DSS has provided documented evidence to support the internal controls and procedures over PACAP and AlloCAP which includes but is not limited to: (1) All changes made to the PACAP narrative are submitted in track changes format to Cost Allocation Services (CAS) for review and evaluation by federal partners; (2) The submitted PACAP narrative is provided to the Grants Unit in addition to a summary of the quarterly changes which is prepared by the Cost Allocation Manager to assist the Grants Unit in ensuring that AlloCAP matches the PACAP narrative exactly; (3) The AlloCAP manual outlining procedures for the quarterly cost allocation process; (4) Grant approval tracking sheets which document all levels of approval for each grant sheet from preparation to submission; and (5) Reports directly from the AlloCAP system showing the allocation methodology matches the PACAP as submitted quarterly.

The DSS' internal controls were and continue to be a component of the successful implementation of the PACAP and AlloCAP system in order to ensure accuracy and compliance with federal requirements as supported by the sample results reviewed under this audit.

Recommendation B: Prepare and submit an estimated cost impact analysis as part of the PACAP, as required by federal regulations.

Response: The DSS disagrees with this finding; however, the DSS has already corresponded with CAS regarding submission of cost impact statements.

As noted in the audit finding, the PACAP narrative states that the DSS will notify the CAS of any significant funding changes as a result of the proposed PACAP implementation. The DSS has apprised CAS and other federal agencies of the current status of providing detailed cost analysis and impact. The DSS anticipates submission in the near future.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS) – Children's Division (CD) and Family Support Division (FSD)

Audit Finding Number: 2018-006 Child Care Eligibility Case Reviews

Name of the contact person
Responsible for corrective action: Marianne Dawson

Anticipated completion date for corrective action: June 30, 2019

Recommendation: The DSS through the CD and the FSD ensure monthly supervisory case reviews are performed as required by DSS policy and strengthen the policy to indicate when the reviews should be performed.

The DSS partially agrees with the FY 2018 audit findings regarding Child Care Eligibility Case Reviews. The development of the Case Review System in 2012 was in response to numerous child care eligibility findings in previous state audits. Policies on case reviews have evolved over the years to align with the changing needs of the Family Support Division. However, the policy does not address staff turnover and the hiring of new supervisory staff or the fluctuating priorities in the field office. In taking these additional conditions into consideration, the finding would indicate that overall the required number of case reviews are being conducted. The state auditor asserted the opinion that the case reviews were not completed timely without taking into account the meaning of targeted case reviews or additional considerations. The DSS fully believes the current policy is working as we have noted that over the last several audit years child care eligibility audit findings have decreased significantly with only one child care eligibility finding as a result of a recipient not reporting timely in FY 2017 and zero child care eligibility findings in FY 2018.

Corrective action planned is as follows:

The DSS recognizes the opportunity to strengthen policy and will update the case review policy to address the reality of fluctuating conditions in the Family Support Division field office as well as consider including a set timeline for the completion of case reviews. The DSS will send an "All About Child Care" email reminder to Eligibility Specialist Supervisors to complete required case reviews.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS) – Children's Division (CD) and Family Support Division (FSD)

Audit Finding Number: 2018-007 Child Care Payments

Name of the contact person
Responsible for corrective action: Marianne Dawson

Anticipated completion date for corrective action: 12/31/2019

Recommendation: The DSS through the CD and the FSD continue to review, strengthen and enforce policies and procedures regarding Child Care subsidy provider payments. These procedures should include sufficient monitoring of provider payments and follow up on errors identified.

Response: The DSS partially agrees the FY2018 audit findings indicate controls can be strengthened to ensure payments are always adequately supported. The questioned cost for nine child care attendance records totaled $585, seven of those findings together totaled less than $100. There were two missing attendance records of which one was unable to be requested due to the child care provider being deceased. It should be noted that over the last several audit years, questioned costs have decreased significantly with reduced provider billing errors and fewer missing attendance records.

Corrective action planned is as follows:

The DSS agrees additional controls are needed to further ensure payments are adequately supported. In September 2017, the DSS awarded a contract to Controltec LLC for a Child Care Business Information Solution (CCBIS). This electronic solution will replace the current paper attendance records allowing for greater control of attendance tracking, invoicing, and monitoring for provider compliance. CCBIS is anticipated to be collecting attendance in all child care homes and facilities by fall 2019.

The DSS is reviewing the errors referred to in this finding. Claims will be entered and adjustments will be made for agreed upon unallowable costs.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS) – Children's Division (CD) and Division of Finance and Administrative Services (DFAS)

Audit Finding Number: 2018-008 Child Care Provider Monitoring

Name of the contact person
Responsible for corrective action: Brenda LaBella

Anticipated completion date for corrective action: June 30, 2018

Recommendation: The DSS through the DFAS and the CD continue to strengthen and enforce procedures to ensure proper follow up on noncompliance identified during CCRT reviews is performed.

The DSS partially agrees with the finding. Although the DSS agrees with continuing to strengthen and enforce procedures to ensure proper follow up when noncompliance is identified, the DSS did follow up with a number of noncompliant providers or has a future follow up review scheduled.

Corrective action planned is as follows:

There is no further corrective action planned as the DSS implemented the following processes as of June 30, 2018:

- Notified all child care providers of the new monitoring and follow up processes during April 2018.
- Updated entrance letters to include expectations that attendance records must be provided to DSS at the time of the review.
- If errors are found during the review, DSS's notification letter has been updated to alert the provider that Educare training is optional to be completed within 45 days of the date of the letter.
- If the initial review shows an error rate in excess of 5%, a follow up review will be conducted within six months of the initial review.
- If the provider has an error rate in excess of 5% in the follow up review, the provider will be referred to the Children's Division for corrective action.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS), Division of Finance and Administrative Services (DFAS)

Audit Finding Number: 2018-009 FCCM Contract Payment Reviews

Contact Person: Kristen Pattrin

The DSS does not agree with the audit findings and believes that corrective action is not required. Explanation and specific reasons are as follows:

Recommendation: The DSS through the CD and the DFAS strengthen monitoring controls and procedures over FCCM contractor payments to ensure costs claimed to the Foster Care program as assistance payments are allowable and adequately supported. Detailed reviews of data submitted by the FCCM contractors should include reviews of foster care payment rates and supporting documentation.

Response: The DSS firmly disagrees with this finding/recommendation.

The Foster Care payment was allowable as the child was IV-E eligible and in a reimbursable placement. The rate paid should have been slightly less due to the child's age. This occurred due to timing of system changes with the FCCM and is a unique instance. Based on the finding, the selected sample population of $271,000 included 60 items of which $50,700 and 9 children correspond to FCCMs. The sample identified $266 ($172 federal share) of questioned costs pertaining to FCCMs which results in a potential deviation of 0.10% of the total and 0.52% corresponding to FCCMs and is deemed by the DSS to be immaterial. In addition to the immateriality of questioned costs, the DAB upheld that FCCMs are a contractor of the DSS pursuant to decision 2681. In accordance with the DAB decision, the DSS will not request documentation from FCCMs for review that would be required of a subrecipient as doing so would be imposing extraneous requirements of contractors. As evidenced by the sample tested under this audit, the DSS has demonstrated sufficient monitoring controls and procedures over FCCM contractor payments to ensure accuracy and compliance with federal requirements.

Additionally, child placement and IV-E eligibility are not uploaded to the system by the vendor. Placement and eligibility for all children in the care of Children's Division are housed in the same area of the system regardless of internal versus external case management.

Payment data for children case managed by a FCCM is uploaded to the state's system. Once payments are uploaded, the data runs through case management and eligibility code to determine the payment fund to assign. The system is programmed to only allow a IV-E Foster Care claim if the child is determined to meet Title IV-E eligibility criteria and is in an allowable placement to Title IV-E. Therefore, payments for foster care could only be claimed to the grant if the child was in a foster home setting where a family would receive a payment to meet the needs of the child(ren) in their care and if both the child and the placement were eligible.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS) – Family Support Division (FSD)

Audit Finding Number: 2018-010 TANF Work Participation Sanctions

Name of the contact person: Jeriane Jaegers-Brenneke

The agency does not agree with the audit findings and believes that corrective action is not required. Explanation and specific reasons are as follows:

Recommendation: The DSS, through the FSD, continue to review, strengthen, and enforce controls to ensure TANF program recipients who failed to meet work participation requirements are sanctioned as required, or referred to the FSD for exemption.

Response: The DSS disagrees with this audit finding. Although it is important to continue to review, strengthen, and enforce controls regarding TANF work participation sanctions, the DSS asserts that the amounts referenced in this finding are immaterial. Regarding the immateriality, there was an error rate of less than 2% regarding the costs under review and an error rate of 5% regarding the cases under review.

The DSS agrees that internal controls are imperative to reducing errors and has successfully implemented controls to ensure clients are timely sanctioned. While the TANF regulations do not provide a threshold or an acceptable error rate, this is below what is required in other programs. Therefore, the DSS deems a Corrective Action Plan is not warranted.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS) – Division of Finance and Administrative Services (DFAS) and Family Support Division (FSD)

Audit Finding Number: 2018-011 TANF Subrecipient Risk Assessments

Name of the contact person
Responsible for corrective action: Alicia Kolb

Anticipated completion date for corrective action: September 2019

Recommendation: The DSS through the DFAS and the FSD strengthen controls and procedures to ensure evaluations of each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward are performed and used for monitoring decisions as required by federal regulations.

Response: The DSS partially agrees with this finding. The DSS provided documented risk assessments for several programs during the audit. Additionally, the DSS has performed monitoring of subrecipients based on the assessment of risk.

Furthermore, the Alternatives to Abortion program was new to DSS in FY 2018. The DSS plans to monitor each of the program's subrecipients by September 2019. This is consistent with the DSS' usual practice of post-monitoring. The DSS has monitored the MWA subrecipients on a three-year monitoring cycle in coordination with the monitoring of the subrecipients of two other DSS programs Through the close monitoring of these subrecipients and assessment of risks, the DSS has performed more frequent monitoring when deemed necessary. The Healthy Marriages and Responsible Fathers program subrecipient agreements started in March of 2018. The DSS performed on-site monitoring visits of these subrecipients in FY 2018.

Corrective action planned is as follows:

DSS plans and performs on-site monitoring of subrecipients based on federal requirements, risk assessment, and effective, efficient use of resources. The DSS has performed risk based monitoring of subrecipients in accordance with Uniform Guidance and will continue to do so. The DSS will develop a standardized process, with consideration of unique program types, to ensure risk assessments performed are documented.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS), Division of Finance and Administrative Services (DFAS)

Audit Finding Number: 2018-012 VOCA Subrecipient Monitoring

Name of the contact person: Kristen Pattrin

Anticipated completion date for corrective action: The DSS is currently working on policy revision to be completed by June 2019 and performing monitoring which will be completed within the grant required timeframes.

Recommendation: The DSS through the DFAS ensure VOCA program subrecipients are monitored in accordance with the monitoring policy.

Response: The DSS partially agrees with this finding. The DSS performs the on-site monitoring once every contract period as required by the Office of Justice Programs (OJP). Desk monitoring includes monitoring of the payment requests and backup to support the payment request. During the time period under review, there were agencies that did not submit invoices during certain quarters and therefore would not have documents for desk monitoring review.

Additionally, the monitoring requirements as laid out in policy are more stringent than required by the grantor agency. Due to the excessive monitoring and burden both on subrecipient partners and staff, the DSS is revising policy to right size the requirements while remaining compliant. To achieve this, DSS has contracted with a nationally known agency to work toward monitoring policies consistent with other states. This agency will also ensure DSS policies remain aligned with federal requirements.

Corrective action planned is as follows: This is noted above in the anticipated completion date for corrective action statement.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Social Services (DSS)
Mo HealthNet Division (MHD)
Missouri Medicaid Audit & Compliance (MMAC)

Audit Finding Number: 2018-013 Mo HealthNet Division Provider Eligibility

Name of the contact person
Responsible for corrective action: Dale Carr

Anticipated completion date for corrective action: June 30, 2019

The DSS agrees with this finding.

The DSS agrees with this recommendation as the DSS has implemented and will continue to implement internal controls designed to ensure Medicaid and CHIP provider revalidations are performed every five years per federal regulations.

While 42 CFR 455.414 states, "The State Medicaid agency must revalidate the enrollment of all providers regardless of provider type at least every 5 years," the purpose of section 455.400 of subpart E is to implement provider screening and enrollment requirements, fees associated with provider screening, and temporary moratoria on enrollment of providers. MMAC had already implemented monthly eligibility screening and monitoring requirements, a collection of enrollment application fees, fingerprint-based criminal history checks, and assignment of provider risk categories prior to September 2016. MMAC had also notified all active providers of the revalidation requirements prior to September 2016 and posted MMAC's revalidation schedule on its website.

Although the DSS did not revalidate all providers prior to September 24, 2016, during the period from September 24, 2016 to June 30, 2018 all of the 60,000+ enrolled Mo HealthNet providers (including those that had not been revalidated) were screened monthly against more federal and state databases than are required by CMS to verify their continued eligibility to participate in the Medicaid program. Additionally, all of the 60 sample providers selected by SAO were screened monthly during that time period and none of those providers had any eligibility issues.

Corrective Action planned is as follows:

The legislature authorized MMAC three additional FTE for provider enrollment in SFY-2018. Those three positions were filled and the staff have been assigned to process revalidations exclusively.

MMAC currently has 14 enrollment staff working on revalidations. The MMAC Provider Enrollment Unit (PEU) has planned monthly "one week bursts" where all available enrollment staff will be working on revalidations only.

MMAC contracted with the state MMIS fiscal agent to develop a provider revalidations portal in the same system providers use to submit their electronic claims to Mo HealthNet. The electronic portal became operational on January 7, 2019. The new portal allows providers to electronically update their enrollment information and upload any needed documentation. The portal allows the PEU to process revalidation applications more quickly and without duplicate data entry.

MMAC plans to have all overdue revalidations completed prior to June 30, 2019.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Department of Mental Health

Audit Finding Number: 2018-014 Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates

Name of the contact person
Responsible for corrective action: Bryan Connell

Anticipated completion date for corrective action: Not Applicable

The agency does not agree with the audit finding and believes that corrective action is not required. Explanation and specific reasons are as follows:

As the State Auditor's finding states, The Division of Developmental Disabilities (the Division) switched to an acuity-based rate methodology with its 2016 Waiver renewal. All existing rates were translated to the new methodology and rate schedule with the goal of standardizing rates to the same level over time. Even though some historic rates are still in place, those rates are expressed as a percentage of the published rate schedule. Any subsequent rate changes, due to changes in acuity or provider, are based on the new procedures adopted for the new rate methodology.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: State Emergency Management Agency

Audit Finding Number: 2018-015 Subrecipient Monitoring- A. Risk Assessments

Name of the contact person
Responsible for corrective action: Shelly Honse

Anticipated completion date for corrective action: Completed

Corrective action planned is as follows:

The SEMA has updated the Recovery Division Monitoring Policy to show that risk assessments will be conducted within twenty-four months (24) after the disaster declaration to comply with Uniform Guidance. The majority of subrecipients will be considered high risk, as documentation is not available at the beginning of a disaster declaration, therefore; completing the assessment within 50% of the disaster time-line is judicious.

State Agency: State Emergency Management Agency

Audit Finding Number: 2018-015 Subrecipient Monitoring- B. Monitoring Reviews

Name of the contact person
Responsible for corrective action: Shelly Honse

Anticipated completion date for corrective action: Completed

Corrective action planned is as follows:

The SEMA has updated the Recovery Division Policy to reflect that 20% of applicants with a determining risk assessment score will either receive an on-site visit or desk monitoring as determined by the aforementioned score.

State Agency: State Emergency Management Agency

Audit Finding Number: 2018-015 Subrecipient Monitoring- C. Cash Management

Name of the contact person
Responsible for corrective action: Shelly Honse

Anticipated completion date for corrective action: March 1st, 2019

Payment letters for large projects and small projects sent to Applicants will inform the Applicant that a copy of the cancelled check, bank documentation of an electronic transfer, or other proof of the expenditure of the funds described must be provided to SEMA within 30 days of receipt of the payment. Verification of documentation will be accessed and confirmed at project close-out and said action will be integrated into the Recovery Division Policy.

This subject will all also be discussed with FEMA Region VII for guidance on their upcoming desk review of SEMA in March. 44 CFR requires payment of small projects to the Applicant upon obligation by FEMA. Dependent upon the category of work, the Applicant may be permitted to complete work within a 6 to 48 month timeframe. This conflict in Federal guidance makes the 30 day rule in 2 CFR, impossible to accomplish for many projects/Applicants.

State Agency: State Emergency Management Agency

Audit Finding Number: 2018-016 Audits and Awards- A. Subrecipient Audits

Name of the contact person
Responsible for corrective action: Shelly Honse

Anticipated completion date for corrective action: June 30th, 2019

Corrective action planned is as follows:

SEMA will follow-up on audit findings related to the Public Assistance program by development of a management letter to be sent to subrecipients requesting a response indicating if the corrective action plan outlined in the audit has been implemented or will be within a timely manner. This management decision procedure will be outlined in SEMA's administrative plan.

State Agency: State Emergency Management Agency

Audit Finding Number: 2018-016 Audits and Awards- B. Award Identification

Name of the contact person
Responsible for corrective action: Shelly Honse

Anticipated completion date for corrective action: Completed

Corrective action planned is as follows:

SEMA has amended the payment letters sent to Applicant's to include identification of the CFDA number for the Public Assistance program. The CFDA number will also be incorporated into the next Applicant briefing in future declared disaster.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Missouri Department of Transportation (MoDOT)

Audit Finding Number: 2018-017 MoDOT Project Closeouts and Final Vouchers

Name of the contact person
Responsible for corrective action: Brenda Morris

Anticipated completion date for corrective action: May 31, 2019

Corrective action planned is as follows:

- MoDOT has corrected the SAM II system and reconciled with the federal highway administration the overstatement of the project's federal share.
- MoDOT has corrected the SAM II system and reconciled with the federal highway administration the incorrect allocation of the local entity's matching funds.
- MoDOT will assess procedures related to preparation and review of Highway and Planning Construction program project closeouts and final vouchers and revise, as necessary within 30 days.
- MoDOT will require training for all Financial Services staff responsible for preparing project closeouts and final vouchers within 45 days.
- MoDOT will require written approval by Financial Services Manager and Assistant Financial Services Director for all project closeouts and final vouchers, effective immediately.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2018

State Agency: Missouri Department of Transportation (MoDOT)

Audit Finding Number: 2018-018 MoDOT Subrecipient Risk Assessments

Name of the contact person
Responsible for corrective action: Brenda Morris

Anticipated completion date for corrective action: December 31, 2019

Corrective action planned is as follows:

- MoDOT will develop standard procedures for performing and documenting risk assessments of Highway Planning and Construction program subrecipients (local public agencies (LPAs)) and guidelines to determine the nature, timing and extent of monitoring activities within 3 months.
- MoDOT will require training for all Central Office and District staff responsible for performing risk assessments and monitoring within 9 months.

State of Missouri - Single Audit
Letter to the Office of Administration Regarding Comprehensive Annual Financial Report Audit Delays
Year Ended June 30, 2018

NICOLE GALLOWAY, CPA
Missouri State Auditor

November 8, 2018

Ms. Sarah Steelman, Commissioner
Office of Administration
State Capitol Building
201 W. Capitol Avenue, Room 125
Jefferson City, MO 65101

Dear Commissioner Steelman:

This letter serves as communication of a potential delay in issuing our opinion on the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018. As known by your staff, the Department of Revenue (DOR) continues to experience delays in preparing and submitting to your office, the Accounts Receivable survey for various funds. This survey, which was due to your office on August 15, 2018, has not been finalized and submitted as of today. As you are aware, Office of Administration staff use the financial information included in the survey to report accounts receivable in the state's CAFR; and our office is responsible for auditing the CAFR. The survey will include significant accounts of the General Fund, Public Education, and Conservation and Environmental Protection, all major funds of the CAFR. We are unable to begin our audit testing until we receive the survey from the DOR.

The DOR's delays appear to result from implementation of the new Revenue Premier system. Once we receive the survey, we will begin audit testing which will include testing of information from the new system. This work has taken several weeks in past years, but could take longer this year because of the new system. Our audit work related to DOR accounts receivable will be completed once we have performed necessary audit procedures to obtain sufficient and appropriate audit evidence to support our conclusions on the amounts reported in the CAFR. We will issue our opinion on the state's CAFR for the year ended June 30, 2018, once all audit procedures have been performed, including the procedures to audit DOR accounts receivable described in this paragraph.

If you have any questions, please contact Josh Allen, Audit Manager, at 573-751-4213.

Sincerely,

Michael A. Moorefield
Chief of Staff and Counsel

cc: Director Joel Walters, Department of Revenue

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

Office of Missouri State Auditor

Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Coffey

Report No. 2019-020
March 2019

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City of Coffey
Follow-Up Report on Audit Findings
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*Includes selected findings

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Coffey, Missouri

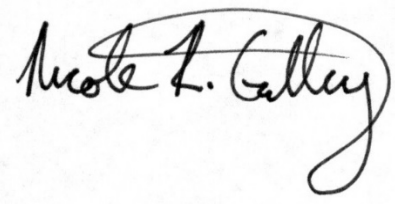
We have conducted follow-up work on certain audit report findings contained in Report No. 2018-046, *City of Coffey* (rated as Poor), issued in July 2018, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussion with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during February 2019.



Nicole R. Galloway, CPA
State Auditor

City of Coffey
Follow-Up Report on Audit Findings
Status of Findings

1. Missing Monies and Unsupported and Falsified Transactions

Utility receipts totaling at least $33,984 were received but not deposited. In addition, unsupported payroll checks totaling $24,634 were written to the former City Clerk, and payroll records indicated the former City Clerk was overpaid an additional $1,556.

Undeposited utility receipts

Between September 2015 and August 2017, the former City Clerk did not deposit $33,984 of recorded utility receipts. The former City Clerk recorded unsupported utility payments for herself totaling $2,645 (included in the $33,984), but these payments could not be traced to a deposit.

Improper payroll checks

Improper payroll checks totaling $24,634 were written to the former City Clerk from the city's water and sewer bank accounts from April 29, 2016, through July 28, 2017. Also, $13,432 of improper payroll payments made during 2016 and $11,202 of improper payroll payments and $201 of regular payroll payments made during 2017 were not included on the former City Clerk's W-2 forms and not subject to payroll tax withholdings.

Payroll over (under) payments

A comparison of the hours reported on timesheets to hours paid according to the payroll reports showed discrepancies resulting in the former City Clerk being overpaid an additional $1,556 from November 2015 through August 2017.

Falsified document

According to city officials, the former City Clerk created false meeting minutes indicating a special Board meeting was held on February 23, 2017, authorizing a $1,500 withdrawal from one of the city's savings accounts and subsequent deposit into 3 other city bank accounts.

Recommendation

The Board of Aldermen work with law enforcement officials regarding criminal prosecution of the undeposited utility receipts, improper payroll checks, payroll over (under) payments, and the falsified meeting minutes, and take the necessary actions to seek restitution. The Board should also ensure payroll taxes are properly withheld and all compensation reported on W-2 forms, and amend W-2 forms for unreported compensation, as appropriate.

Status

In Progress

The Board of Aldermen is working with the Daviess County Sheriff and Prosecuting Attorney regarding criminal prosecution of the former City Clerk. Multiple criminal charges of stealing and forgery were filed against the former City Clerk and the case is ongoing as of February 2019. The city received a $50,000 insurance settlement for employee dishonesty in October 2017. The Board does not plan to amend the former City Clerk's W-2 forms until the criminal case is concluded.

2. Conflict of Interest, Board Objectivity, Oversight, and Annual Audits

Some activities involving former Alderman Browning created a conflict of interest, and the employment of individuals directly supervised by and related to Board members could have compromised the Board's objectivity. The Board had not established adequate oversight of the City Clerk position or obtained annual audits as required by state law.

2.1 Conflict of interest and objectivity

Former Alderman Browning created a conflict of interest when he voted to approve salary increases and payroll checks to his wife, the former City Clerk. In addition, the current City Clerk is the daughter of 2 of 4 current Board members, and the Board had not established policies and procedures to address employment and supervision of a related employee. As a result, the objectivity and effectiveness of the Board may have been compromised.

Recommendation

The Board of Aldermen closely examine city transactions to identify apparent and actual conflicts of interest and adopt procedures to address the employment and supervision of relatives.

Status

Implemented

The Board of Aldermen approved revised ordinances on December 17, 2018, and Section 7 of these ordinances addresses conflicts of interest, procedures to identify conflicts of interest, and the employment and supervision of relatives. Currently, the 2 Board members that are related to the City Clerk abstain from voting on issues with her involvement, including salary increases. The Mayor is responsible for supervising the City Clerk's duties and reviews all financial reports, bank statements, and her timesheets and the related payroll checks.

2.2 Oversight and segregation of duties

The Board had not established adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the City Clerk. In addition, Board members indicated the former Mayor often signed blank checks in advance.

Recommendation

The Board of Aldermen segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should not allow any check signers to sign checks in advance.

Status

Implemented

The Mayor indicated he now reviews and documents his review of monthly bank statements and reconciliations. Board members indicated financial statements are presented at each monthly meeting for review and approval. We reviewed the December 2018 bank statements, reconciliations, and monthly financial statements, and evidence of the Mayor or Board's review and approval. Board members indicated checks are no longer signed in advance.

2.3 Annual audits

The city did not obtain annual audits as required.

Recommendation

The Board of Aldermen obtain annual audits of the waterworks and sewerage system as required by state law.

Status

In Progress

The Board of Aldermen contracted for an audit of the city for the year ending June 30, 2018, and the audit was in process as of February 2019.

3. Accounting Controls and Procedures

Significant weaknesses existed in the city's accounting controls and procedures.

3.1 Receipting and depositing procedures

The city's procedures for receipting and depositing monies were poor.

- The former City Clerk did not always issue receipt slips for monies received.
- All copies of some receipt slips were missing from the receipt books. Also, the top copy of some voided receipt slips was not retained.
- City personnel did not consistently indicate the method of payment, or reconcile the method of payment to the composition of receipts recorded in the computerized utility system or to the deposit.
- The former City Clerk did not deposit monies timely or intact.

Recommendation

The Board of Aldermen require receipt slips be issued for all monies received with the method of payment indicated, the composition of receipts be reconciled to the composition of amounts recorded and deposited, receipt slips (including the top copy of voided receipt slips) be retained, and monies received be deposited timely and intact.

Status

Implemented

Our review of December 2018 financial activity showed that manual receipt slips were issued for all monies received with the method of payment indicated on the receipt slip, the composition of receipt slips was reconciled to amounts recorded and deposited, and monies received were deposited timely and intact. No receipt slips were voided during December 2018. The City Clerk indicated that all copies of voided receipt slips are now being retained.

3.2 Bank accounts, reconciliations, and fees

Controls and procedures over bank accounts and reconciliations needed improvement.

Number of bank accounts	The city maintained an excessive number of bank accounts, resulting in cumbersome record keeping.
Bank reconciliations	The former City Clerk did not perform monthly bank reconciliations from March 2017 through July 2017.
Overdraft and minimum balance fees	The Board and the former City Clerk failed to monitor the city's cash balances and incurred overdraft and minimum balance fees.

Recommendation

The Board of Aldermen review the number of bank accounts. The Board should also ensure monthly bank reconciliations are prepared and reconciled timely, and any differences are promptly investigated and resolved. The Board should also properly monitor bank account balances to avoid bank fees.

Status

Implemented

The Board reduced the number of bank accounts by eliminating the savings account. The City Clerk and Board members indicated bank accounts are reconciled timely and bank account balances are monitored to avoid fees. Our review of the December 2018 bank reconciliations showed the reconciliations were prepared by the City Clerk and reviewed by the Mayor timely. The city was not charged any overdraft fees during the year ended December 31, 2018.

3.3 Accounting records and financial statements

City officials did not maintain accurate accounting records and financial statements.

- Some transactions were not accurately recorded in the computerized accounting system, and the dates recorded on the actual checks differed from those recorded in the computerized accounting system.
- The semiannual financial statements prepared by the former City Clerk were misleading and significantly inaccurate.
- The former City Clerk prepared packets for Board members for each monthly meeting and most information contained in the packets was inaccurate.

Recommendation

The Board of Aldermen ensure accounting records and financial reports are accurate. The Board should perform adequate reviews of financial reports and checks written before approving.

Status

Implemented

The Mayor reviews and compares bank activity to the accounting records monthly and reviews financial reports, supporting documentation, and

checks written before approving and signing checks. Our comparison of the accounting records to the monthly financial report prepared for the Board for December 2018, showed no discrepancies. The semiannual financial statement for the 6 month period ending December 31, 2018, was accurate and reviewed and approved by the Board.

3.4 Excessive and unauthorized transfers and commingling of restricted funds

The former City Clerk made excessive and unauthorized transfers between various bank accounts, and did not always deposit utility receipts into the proper bank account, which led to commingling of restricted funds.

Recommendation

The Board of Aldermen monitor and reduce the number of transfers made between bank accounts and ensure monies received are deposited in the appropriate bank accounts.

Status

Implemented

Board members indicated they have reduced the number of transfers made between bank accounts and the Mayor reviews deposits and bank statements to ensure monies received are deposited in the appropriate bank accounts. We reviewed the December 2018 bank statements and accounting records, and determined no transfers between bank accounts occurred and the City Clerk deposited monies into the correct bank accounts.

3.5 Utility deposits

The list of refundable utility deposits was not accurate and not reconciled to the balance of the utility deposit bank account.

Recommendation

The Board of Aldermen reconcile the utility deposit listing monthly to the utility deposit bank account balance. Any discrepancies should be investigated and resolved.

Status

Implemented

The City Clerk prepares a list of refundable utility deposits monthly and reconciles it to the utility deposit bank account balance. The Mayor reviews the list and the related bank statement and reconciliation monthly. We reviewed the December 31, 2018, reconciliation and noted the list agreed to the balance of the utility deposit bank account.

4.2 Electronic Data Security - Security controls

Security controls were not in place to lock the city's computer after a specified number of incorrect logon attempts or after a certain period of inactivity.

Recommendation

The Board of Aldermen ensure the city's computer has security controls in place to lock after a specified number of incorrect logon attempts and after a certain period of inactivity.

Status

Implemented

The City Clerk indicated the city's computer now locks after a specified number of incorrect logon attempts and a certain period of inactivity.

Office of Missouri State Auditor

Nicole Galloway, CPA

Village of Ferrelview

Report No. 2019-019
March 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Village of Ferrelview

Financial Condition	The village's General Fund is in poor financial condition. Budgets are not prepared timely, payroll costs increased significantly during 2016 and 2017, and transfers from the Water and Sewer and Street Funds have kept the General Fund from having a negative fund balance.
Utilities	Financial information in the village's utility system is not complete and accurate. The village is not following its service shut off ordinance and has not developed adequate procedures to monitor and collect delinquent water accounts. A written policy regarding partial payments by customers who have delinquent accounts has not been developed and customers are allowed to make partial payments without entering into a written payment agreement and Board approval. Adequate procedures are not in place to pursue collection of accounts receivable and monthly reconciliations of total amounts billed, payments received, and amounts unpaid for any of the utility services are not performed. Controls over non-monetary adjustments posted to customer utility accounts need improvement. Refundable utility deposits held in the Water and Sewer Fund account exceeded the bank balance as of February 28, 2018, and are not accounted for properly. The Board could not provide documentation that a formal review of utility rates had ever been performed, and as a result there is less assurance the utility rates are set at an appropriate level. The village has not obtained annual audits of its combined waterworks and sewage system as required by state law.
Budgets, Financial Planning, and Reporting	The village did not prepare a budget for 2016 or 2017 and the budget prepared for 2018 lacked some information required by state law and was not approved timely. Budget to actual reports were not prepared provided to the Board for review. The village has not developed formal written long-range plans for streets or utilities. The financial statement submitted to the State Auditor's Office for 2017 was not adequate and the statement filed for 2016 had to be resubmitted several times due to errors.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by village personnel is performed. Receipts slips are not issued for most payments received by the village. A restricted $15,000 certificate of deposit in the Water and Sewer Fund was cashed in October 2017 and the proceeds deposited in the General Fund. Village officials indicated this transfer was part of a repayment of a liability to the General Fund and that an additional $6,550 is still owed, but it is unclear if this amount is accurate based on records provided.
Payroll Controls and Procedures	Payroll functions are not segregated and there is not a sufficient review of time records and payroll functions. The village did not have ordinances to address some significant issues and did not always comply with established ordinances. Wages paid to the Police Chief included significant overtime pay in 2016 and 2017, even though not required by federal wage laws. Total payroll costs for the village increased significantly from 2014 to 2017, and reached a high of approximately $113,000 in 2016. Police payroll totaled approximately $95,000 during 2016 and 2017, accounting for approximately 45 percent of General Fund spending.

Disbursements	The Board's approval process for disbursements is not adequate and Board meeting minutes did not mention bills approved for payment. The Board has no documentation of any discussions held or the basis for determining the amounts paid from the Water and Sewer Fund and Street Fund to the General Fund. During 2016 and 2017, approximately $103,000 was paid from the Water and Sewer Fund to the General Fund and approximately $15,000 from the Street Fund to the General Fund. Documentation is not maintained to support the amounts paid and a method for allocating administrative costs has not been developed. The village was required to repay $5,102 in grant funding due to noncompliance with the grant agreement. The Village Treasurer does not maintain a petty cash ledger or adequate documentation to support petty cash transactions. The village does not have written contracts with some service providers and certain outside parties.
Capital Assets	The village does not maintain records of its capital assets including buildings, land, vehicles, equipment, and other property. A police vehicle was sold to a Board member for less than the minimum amount established by the Board and without Board approval, giving the appearance of a conflict of interest and in violation of the Missouri Constitution. The village has not developed a policy for disposing of property items.
Ordinances and Sunshine Law	Village ordinances are not organized, complete, or up to date. Village personnel do not maintain adequate records of requests for records to show compliance with state law. The village did not comply with state law regarding closed sessions. Minutes for monthly Board meetings are neither signed by the Village Clerk as the preparer, nor the Board Chairperson or another Board member to indicate Board approval.
Electronic Data Security	Controls over village computers are not sufficient to prevent unauthorized access, and sufficient plans and processes are not in place for recovering systems and data.

In the areas audited, the overall performance of this entity was **Poor**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Village of Ferrelview
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Chairperson
and
Members of the Board of Trustees
Village of Ferrelview, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Village of Ferrelview. We have audited certain operations of the village in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

1. Evaluate the village's internal controls over significant management and financial functions.

2. Evaluate the village's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

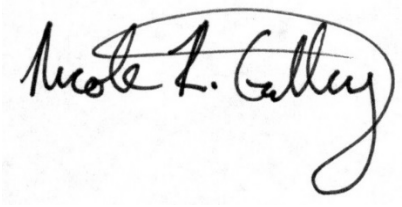
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Ferrelview.

An additional report, No. 2018-004, *Sixth Judicial Circuit, Village of Ferrelview Municipal Division*, was issued in January 2018.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Amanda G. Flanigan, MAcc

1. Financial Condition

The village's General Fund is in poor financial condition. The Board of Trustees is not adequately monitoring the financial condition of the village. Budgets are not prepared timely, payroll costs increased significantly during 2016 and 2017, and transfers from the Water and Sewer and Street Funds have kept the General Fund from having a negative fund balance. A class action lawsuit settlement totaling approximately $88,000 received in February 2015 from a phone provider improved the village's financial condition at that time, but expansion of the police department beginning in June 2015 has contributed to the poor condition of the General Fund.

As discussed in Management Advisory Report (MAR) finding number 5.3, the General Fund is in a weakened condition as a result of excessive spending on salaries, particularly for the police department, during 2016 and 2017. As discussed in MAR finding number 3.1, the village's poor budgetary preparation and monitoring procedures have also contributed to this problem.

The reconciled cash balance of the General Fund at December 31, 2017, was $19,053, and a receivable, totaling $6,550, from the Water and Sewer Fund was listed as an asset for the General Fund in the 2018 budget. The balance of the General Fund was approximately 10 percent of General Fund spending, but as discussed in MAR finding number 6.2, that balance was achieved through significant transfers from the Water and Sewer and Street Funds. Without those transferred funds, the General Fund balance at December 31, 2017, would likely have been negative. In addition, the General Fund balance is not sufficient to allow the village to pay calculated excess revenues collected from traffic tickets during 2016 and 2017, totaling $20,300 and $1,551, to the Department of Revenue, according to addendums filed with the State Auditor's Office.

In July 2017, in part due to the excess revenue owed to the state for 2016 and the overall financial condition of the General Fund, the Board voted to dissolve the village's municipal division and disband the police force. The Police Chief remained employed, but part-time officers were no longer used, and traffic tickets have not been issued since that time. Due to ongoing disputes with the Board, the Police Chief was suspended with pay in November 2017. He continued to be paid $300 per week from mid-November 2017 to April 2018, for a total of approximately $6,000. New Board members took office in April 2018 and the Police Chief was reinstated and began working again.

It is essential the Board address the financial condition of the General Fund both in the immediate- and long-term future. To improve the financial condition the Board should reduce spending as much as possible, address interfund and other obligations, and evaluate controls and management practices to ensure efficient use of village resources.

Recommendation

The Board of Trustees closely monitor the village's financial condition. The Board should reduce spending where possible, establish a plan to pay interfund obligations and excess revenues to the state, and evaluate controls and management practices to ensure efficient use of resources.

Auditee's Response

We are currently monitoring the village's financial condition more closely. We have reduced payroll significantly in 2018 by consolidating some positions. We will review records related to the amount due from the Water and Sewer Fund to the General Fund and are in the process of establishing a plan to repay the excess revenues due to the Department of Revenue. We plan to evaluate controls and management practices overall to ensure resources are used efficiently.

2. Utilities

Controls over utilities need improvement.

2.1 Utility financial data

Financial information in the village's utility system is not complete and accurate. During a request for documents in March 2018, we were informed that on January 10, 2018, the utility software provider performed a procedure referred to as a "compact and repair" to the utility system database. The compact and repair procedure is built into the Microsoft Access application and it is customary to periodically perform this procedure to keep the database working properly. Microsoft recommends making a backup of the database prior to performing the procedures, which was done by the software provider, because Access may truncate some data from tables that are damaged and some data may be lost in the process. If a backup of the data is made, it is possible to recover any lost data. According to the software provider, who was contacted by village personnel because they were having trouble accessing data for us, the process deleted some historical data from the system. The software provider told us the company informed village personnel that to restore the missing data and move forward with accurate data for 2018, the village would need to save the backup file created by the software provider and re-enter all transactions after January 10, 2018, into the saved back up database. The village has not completed this process, bringing into question the accuracy of the utility system data.

To ensure the accuracy of data within the utility system, it is imperative the village follow up on instructions from its software provider timely.

2.2 Shut off procedures

The village is not following its service shut off ordinance and has not developed adequate procedures to monitor and collect delinquent water accounts. Village personnel do not periodically prepare a delinquent accounts listing and could not provide us a listing of unpaid water and sewer bills. The Board established an ordinance to shut off water service to any customer whose bill has not been paid within 15 days after the due date (10th of the month). Testwork performed for 3 months, (July 2017, February 2018, and March 2018), showed numerous customers who had not made payments

within 15 days of the due date, but service was not disconnected. The former Village Clerk could not provide records to show that any customers had service shut off prior to March 2018.

The former Village Clerk indicated that the Water Commissioner (one of the Trustees) instructed her to prepare shut off notices on March 5, 2018, for customers whose February 2018 billings were unpaid. The Village Clerk informed him his account was among those receiving shut off notices. The next day the Trustee sent the former Village Clerk an email message advising her to delay shut offs until March 12, 2018. On March 12 only two customers still had not paid their outstanding bill, including this Trustee. The contracted water operator was requested to shut off these two customers' service, but upon arrival at the Trustee's residence was told by the Trustee to not turn off either his water or the other customer's water. The water operator requested something in writing from the Trustee regarding this directive and received an email message from him documenting this instruction. The Trustee indicated he was going to pay his bill the following day and did so. However, he used his position as a Trustee for personal gain in this situation, which violates state law. Public officials cannot make decisions that may financially impact themselves or their family. By stopping his service from being disconnected, this Trustee avoided having to pay the reconnect fee, along with not losing service. The other customer had his/her service disconnected on March 13, 2018, per village records.

To help maximize utility revenues, procedures should be developed to ensure adequate steps are taken to collect delinquent accounts and shut off service in accordance with village ordinance. In addition, Section 105.452(4), RSMo, prohibits an official from acting favorably on any matter specifically designed to provide a special monetary benefit to such official.

2.3 Partial payments

The village does not have a written policy regarding partial payments by customers who have delinquent accounts, and customers are allowed to make partial payments without entering into a written payment agreement and without Board approval.

We tested billings and payments made in July 2017, February 2018, and March 2018. Of the 55 billings tested during those months, 15 were partial payments. There were no written agreements for or Board approval of these arrangements.

A written policy is necessary to establish and document the process to determine when payment agreements are allowed, how the payment amount is to be established, and the approval process for these arrangements. In addition, a signed written payment agreement is necessary to indicate the intent of the customer to pay the outstanding balance and to aid in accounting for and collecting amounts due.

2.4 Accounts receivable

The village does not have accurate records of outstanding utility accounts nor adequate procedures to pursue collection of accounts receivable. In addition to not following established shut off procedures, as discussed in section 2.2, phone calls are not made and letters are not sent to delinquent customers in an attempt to collect past due amounts. We asked village personnel why the village was not pursuing collection of outstanding amounts due from renters with landlords, as allowed by state law. Village personnel indicated a settlement agreement entered into in July 2003 with the owner of a mobile home park stated the village would not pursue collection of renters delinquent balances with management of the park.

Section 250.140, RSMo, provides that all combined utility services shall be deemed furnished to both the occupant and the owner of the premises, which allows utility providers to pursue collection from the owners of property if the renters do not keep the account in good standing. It is unclear if the settlement agreement is still valid due to changes in the law but a legal opinion has not been sought by the village regarding this matter. In addition, there are several other apartment complexes and mobile home parks in the village and the village also did not seek payment of delinquent amounts from the owners of those properties. The village should use all available means to collect amounts owed from tenants of these properties.

Good business practices require establishment of adequate collection procedures to ensure accounts are collected timely and bad debts are kept to a minimum. To ensure revenues of the utility system are maximized, the village should start holding property owners liable for outstanding accounts where applicable and determine if the prior settlement agreement is still valid.

2.5 Accounts receivable reconciliations

The village does not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for any utility services.

Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected timely.

2.6 Non-monetary adjustments

Controls over non-monetary adjustments posted to customer utility accounts need improvement. Non-monetary adjustments are any transactions where payment is not received; however, the account balance is changed in the accounting records, such as for waiving customer late charges, adjusting usage for inaccurate meter readings, or reducing a balance due to water leaks. The Village Clerk, who is responsible for receipting and posting utility payments to the system, made 431 non-monetary adjustments, totaling $207,885, during 2017 to reduce customer account balances. Of this total, 57 adjustments were made on 4 customer accounts and totaled $191,939. The Village Clerk indicated these adjustments were needed due to errors in the meter reading or the meter being broken but documentation was not maintained to support these reasons. Non-monetary adjustments posted to the system are not reviewed and approved by an independent person and

documentation of reasons for adjustments is not always retained. Because the Village Clerk is responsible for collecting utility payments and has the ability to alter or delete individual utility account information, there is an increased risk that unsupported or unauthorized changes can be made in the utility system. In addition, a comparison of approved adjustments to adjustments actually made to the system is not performed by an independent person.

Non-monetary adjustments should be verified and approved by a person independent of the person posting these transactions to ensure they are necessary and properly handled. Considering the risks associated with non-monetary adjustments, the Board should consider monitoring all such transactions.

2.7 Utility deposits

Refundable utility deposits held in the Water and Sewer Fund, along with other water receipts, are not accounted for properly.

Effective October 2017, village Ordinance No. 315 requires a $250 deposit when an account is activated (deposit amounts in previous years were $150, $100, and $25). The village's list of refundable utility deposits totaled $31,956 as of February 28, 2018; however, the bank balance of the Water and Sewer Fund account was only $31,654. Considering all activity of the combined water and sewer system is accounted for within this fund, village officials need to determine what is causing this shortage. In addition, during 2016 and 2017, village personnel refunded 4 deposits ($750) to customers with active accounts. They could not explain why this occurred. In addition, 9 active accounts did not have deposits shown on the listing.

Maintaining and updating a complete list of customer utility deposits is necessary to provide a record of deposits held. In addition, maintaining a separate accounting record of utility deposits and reconciling it to the fund balance provides the village assurance the Water and Sewer Fund account balance is sufficient to cover customer deposit liabilities and ensure customer deposits are not used for water operations.

2.8 Utility rates

The Board could not provide documentation that a formal review of utility rates had ever been performed, and as a result there is less assurance the utility rates are set at an appropriate level. Rates charged for water and sewer services changed in July 2017, with water rates decreasing and sewer rates increasing. Village officials provided some calculations to support the rate changes, but the amounts used in those calculations were not supported and depreciation and replacement costs were not considered in the computations.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure utility rates are appropriately set, village officials should perform and document a detailed cost study of the village's

water and sewer costs, including depreciation, and set rates to cover the total cost of operations without generating excessive profits.

2.9 Annual audits

The village has not obtained annual audits of its combined waterworks and sewage system as required by state law. The last audit of the village was for 2015. Section 250.150, RSMo, requires the village to obtain annual audits of the combined waterworks and sewage system, with the cost of the audit to be paid from revenues received from the system.

Recommendations

The Board of Trustees:

2.1 Contact the utility software provider and determine what actions are necessary to ensure data in the system is complete and accurate.

2.2 Ensure utility accounts are shut off in accordance with village ordinance and no one is given preferential treatment.

2.3 Establish a written policy regarding partial payments and ensure signed written payment agreements are prepared and approved by the Board.

2.4 Ensure adequate records are maintained to determine unpaid utility bills and pursue collection of outstanding balances. In addition, consult with the village's attorney regarding the ability to pursue collections from owners of rental property for unpaid utility bills and develop adequate procedures to pursue amounts due.

2.5 Ensure monthly reconciliations of amounts billed to amounts collected and delinquent accounts are performed.

2.6 Ensure all non-monetary adjustments are properly approved and compared to actual changes posted to the computer system, and documentation of reasons for all non-monetary adjustments is retained.

2.7 Ensure utility deposits held in the Water and Sewer Fund are accounted for properly and reconcile the utility deposit listing monthly to the amount held in the Water and Sewer Fund bank account. Any discrepancies should be investigated and resolved.

2.8 Ensure a statement of costs is prepared to support changes in utility rates and document formal reviews of water and sewer rates periodically to ensure revenues are sufficient to cover all costs of providing these services.

2.9 Obtain annual audits of the waterworks and sewerage system as required by state law.

Auditee's Response

2.1 We agree and plan to do this.

2.2 We agree and have implemented the recommendation.

2.3 We are now following our policy regarding shut off of service and plan to continue enforcing the due date for utility bills. We will discuss the need for a written policy. Partial payments will be accepted but if full payment is not made by the shut off date, the shut off of utilities will occur.

2.4 We will ensure an outstanding balances report is prepared and reviewed during Board meetings, and we are currently pursuing collection of outstanding accounts. We will discuss with our attorney the former settlement and determine if our current procedures are adequate.

2.5 We agree and will ensure the Village Clerk prepares reconciliations of amounts billed to amounts collected and delinquent accounts monthly in the future.

2.6 We will develop procedures to approve adjustments to the system before they are made and will ensure the actual changes made agree to items approved. In addition, documentation will be retained to support non-monetary adjustments.

2.7 We will develop a system to track utility deposits and will reconcile the total balance to the amount of water deposits held in the Water and Sewer Fund monthly.

2.8 We will ensure adequate documentation is prepared to support changes in utility rates and ensure formal reviews are done periodically.

2.9 We agree and plan to obtain annual audits in the future.

3. Budgets, Financial Planning, and Reporting

The village's budgeting practices, financial planning, and reporting needs improvement.

3.1 Budgets

The village did not prepare a budget for the year ended December 31, 2017, or 2016. A budget was prepared for the year ended December 31, 2018, but lacked some information required by state law and was not approved timely. The failure to prepare budgets does not allow for adequate monitoring of budget to actual receipts and disbursements. Although a budget was

eventually prepared for 2018, budget to actual reports were not prepared and provided to the Board for review.

The 2018 budget did not include a budget message or comparative statements of receipts or disbursements for the 2 preceding years, did not include all village funds, and had mathematical errors. The budget was not approved by the Board until its February 13, 2018, meeting several weeks after the village's fiscal year began on January 1, and did not include a budget for the Law Enforcement Training Fund. In addition, the Board budgeted all available revenue for each budgeted fund, resulting in unreasonable disbursement estimates for some funds. For example, the Street Fund budget included a line item for street improvements totaling approximately $109,000. That amount was used so budgeted disbursements would equal the available resources for the fund. According to the current Village Clerk, through November 30, 2018, the village has spent nothing on street improvements. Village personnel indicated budgets have been prepared in this manner because they believed this method was required to balance the budget.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of village operations. It also assists in setting tax levies and informing the public about village operations and current finances. Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. In addition, Section 67.080, RSMo, provides that no expenditures of public monies should be made unless it is authorized in the budget. Furthermore, proper monitoring of budgeted amounts to actual results is necessary for the budget to be an effective management tool.

3.2 Long range plans

The village has not developed formal written long-range plans for streets or utilities.

Streets

The village has not developed a formal annual maintenance plan for village streets. Village streets are in very poor condition and a relatively small amount of money has been spent to repair/replace village streets since 2015. As of December 31, 2017, the Street Fund balance was $55,923. This balance includes approximately $48,000 requested from Platte County in October 2015 as a distribution of the village's share of the countywide transportation sales tax passed by county voters in 2013. The village can make semi-annual requests for its share of this money, but has not requested or received any additional funds since October 2015. Personnel at the Platte County Treasurer's office indicated the village has approximately $68,000 available for distribution as of June 30, 2018. While the 2018 budget prepared by the village had a line item for street improvements totaling approximately $109,000, no significant street improvement projects were planned or completed as of June 30, 2018, and we identified no significant discussions

documented in Board minutes regarding street maintenance plans or street improvement projects.

A formal maintenance plan should be prepared in conjunction with the annual fiscal budget and include a description of the streets to be worked on, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information.

Utilities

The village has an aging infrastructure for its water and sewer system and a multi-year capital improvement plan has not been documented. Because bonds issued in 1991 to build the system have been repaid, no reserve funds or repair and replacement funds are required, and as of December 31, 2017, no funds have been set aside for the system's long-term repairs or maintenance.

Adequate long-range planning helps ensure critical needs of the village are identified, priorities are established, and the village makes the best use of the funds available. After a long-term plan is developed, it should be reviewed annually and modified as necessary to meet the changing needs of the village.

Conclusion

Development of a formal maintenance plan for village streets and a multi-year capital improvement plan for the utility system are necessary to ensure the needs of village residents are met in the future. Details of each plan should be included in the budget message and approved by the Board. In addition, public hearings should be held to obtain input from residents.

3.3 Financial reporting

The financial statement submitted to the State Auditor's Office for the year ended December 31, 2017, was filed timely but not adequate. The data submitted consisted of meeting agendas, utility financial reports, and the advertisement for the sale of police vehicles. The information submitted did not include any annual financial data for village funds. In addition, a financial statement for the year ended December 31, 2016, was submitted timely, but had to be resubmitted several times after being updated due to errors identified by the Village Treasurer in the financial records of the village. A final revision was submitted in February 2018.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office. 15 CSR 40-3.030 details the elements needed, which include beginning and ending balance, summary of receipts and disbursements, statement of indebtedness at the beginning and ending, and the property tax rate levied for each fund for the reporting period.

Recommendations

The Board of Trustees:

3.1 Prepare annual budgets for all funds that contain statutorily required information and approve the budget prior to the beginning of the operating year, and ensure budgeted disbursements for each fund are a reasonable approximate of what the Board actually intends to spend. In addition, the Board should monitor budgets by reviewing monthly budget to actual reports.

3.2 Develop a formal street maintenance plan which will utilize available resources in a manner consistent with existing restrictions on the funds and prepare a formal capital improvement plan for the water and sewer system and a means to fund it.

3.3 Ensure financial data submitted complies with state regulations and statutes.

Auditee's Response

3.1 We will ensure the 2020 budget contains all information required by state law and is approved timely. We will ensure budgeted disbursements for each fund are reasonable and are reflective of what we actually plan to spend. We will discuss whether an amendment to the 2019 budget is necessary. We will request the Village Clerk begin providing budget to actual reports at the monthly Board meeting.

3.2 We are in the process of developing long-range plans for streets and utilities.

3.3 We will ensure financial data submitted in the future is accurate and filed timely.

4. Accounting Controls and Procedures

Accounting controls and procedures need improvement.

4.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by village personnel is performed. The Village Clerk receipts and deposits payments received and posts transactions to the utility system, including adjustments to customer account balances. The Village Treasurer posts transactions to the accounting system and receives and deposits non-utility payments as well as preparing bank reconciliations and writing checks for all bank accounts. No one reviews the work performed by either of these employees.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

4.2 Receipting

Receipts slips are not issued for most payments received by the village. The Village Clerk issues a manual receipt for utility payments when payment is in cash or if a receipt is requested. The utility software system assigns a sequential number for each transaction posted to the system, but these transactions includes non-monetary adjustments where no payment is received. Personnel do not account for manual receipts issued by the Village Clerk or have procedures to determine that all manual receipts slips issued have been accounted for and posted to the system. The Village Treasurer does not issue receipt slips for non-utility payments received.

To adequately account for all receipts and to ensure all receipts are deposited intact, prenumbered receipt slips should be issued for all monies received and the numerical sequence of receipt slips should be accounted for properly.

4.3 Interfund liability

A restricted $15,000 certificate of deposit (CD) in the Water and Sewer Fund was cashed in October 2017 and the proceeds deposited in the General Fund. Village officials indicated this transfer was part of the repayment of a liability the Water and Sewer Fund had to the General Fund dating back to 2012. Some village financial records indicate an interfund liability still exists from the Water and Sewer Fund to the General Fund totaling $6,550, although it is unclear if this amount is accurate based on the records provided.

In October 2017, the former Village Treasurer, after researching various transactions dating back to 2012, requested the Board authorize a $15,000 Water and Sewer Fund CD be cashed and the proceeds deposited to the General Fund. She reported that $6,550 would still be due to the General Fund from the Water and Sewer Fund after this transaction. She summarized a series of transactions related to the purchase of police radios in 2012 and subsequent repayment of Water and Sewer funds used for the purchase. She reported that after researching the transactions, she determined the $25,000 CD cashed back in 2012 was in fact a General Fund CD, so the repayments to the Water and Sewer Fund in 2014 and 2015 were unnecessary. She reported payments made, totaling $3,450, to purchase new police vehicles (date unknown) were made from the Water and Sewer Fund, which should be credited against this liability, leaving the balance due to the General Fund at $21,550. By authorizing the $15,000 Water and Sewer Fund CD to be cashed and the proceeds being put in the General Fund bank account, the Water and Sewer Fund liability as of October 2017 would still be $6,550. None of the amounts paid from the Water and Sewer Fund to the General Fund as part of the allocation of administrative costs (see MAR finding number 6.2) was counted as a repayment of this liability.

Without clear documentation to support all aspects of this situation, it is unclear if the cashing of this CD and deposit of the proceeds to the General Fund was appropriate or if a liability still exists. The current Board needs to review this matter and determine if actions taken were appropriate and determine if this liability exists.

Receipts of the Water and Sewer Fund represent user fees restricted for the operation of the water and sewer system, including buying and delivering water to customers, repaying debt, if applicable, and preparing and replacing infrastructure.

Recommendations

The Board of Trustees:

4.1 Segregate the accounting duties of the village office personnel. If proper segregation cannot be achieved, ensure a documented independent or supervisory review of detailed accounting and bank records is performed.

4.2 Ensure receipt slips are issued for all monies received and account for the numerical sequence of all receipt slips issued.

4.3 Determine and resolve interfund liabilities and refrain from interfund borrowing of restricted funds.

Auditee's Response

4.1 We will ensure an independent review of accounting records is performed in the future.

4.2 We will ensure numerical receipt slips are issued for all funds received and account for the numerical sequence.

4.3 We agree and plan to review records surrounding this liability to determine any amount owed. We will refrain from interfund borrowing in the future.

5. Payroll Controls and Procedures

Significant improvement over payroll controls and procedures is needed. The village disbursed approximately $100,000 in wages during the year ended December 31, 2017.

5.1 Payroll procedures

Payroll functions are not segregated and there is not a sufficient review of time records and payroll functions. We noted errors with time and leave records, and documentation to support payroll transactions was not always adequate.

- Payroll records were not reviewed by the Board or someone independent of the payroll function. The Village Treasurer was primarily responsible for all payroll functions.

- Timecards were not always prepared or maintained for all police department personnel and prepared timecards were not signed by a supervisor to document approval of time worked.

Proper segregation of duties helps ensure all payroll transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of payroll duties cannot be achieved, a periodic independent review of the records should be performed and documented. Signed and approved time records are necessary to document hours worked, substantiate payroll disbursements, monitor hours worked and leave taken, and demonstrate compliance with the Fair Labor Standards Act (FLSA).

5.2 Personnel ordinances and policies

The village did not have ordinances to address some significant issues and did not always comply with established ordinances. The village also had not adopted a personnel manual or other needed policies.

- During portions of 2016 and 2017, the Police Chief was paid a weekly salary, but the number of hours required to be worked each week was not established by ordinance or policy. Payroll records indicate the Police Chief was expected to work 15 hours weekly from January through May 2016 and was paid $10 per hour for any hours in excess of the 15. In June 2016, the salary was discontinued and the Police Chief was paid $15 per hour, but no minimum or maximum was established regarding the number of hours to be worked each week. While timecards were not available for several weeks during 2016 and 2017, the Police Chief's timecards reported at least 498 hours of overtime worked from June 2016 through mid-July 2017 (cost $11,272). In July 2017, the Board voted to pay the Police Chief a $300 per week salary for 20 hours of work and no overtime was incurred for the remainder of the year. An ordinance was not adopted establishing the compensation for the Police Chief and no formal policies were adopted to establish normal hours for the Police Chief. In addition, overtime is not required for the Police Chief since the village has fewer than 5 law enforcement officers, according to the FLSA. As a result, excessive pay for the Police Chief was incurred.

- Compensation for the Village Clerk and Village Treasurer was not established by ordinance.

To ensure employees are treated equitably and compensation is reasonable, personnel policies should be adopted to reflect the village's intended practices. By not following overtime requirements established by the FLSA, the village paid overtime wages when not required resulting in a greater financial burden for the village. In addition, ordinances documenting approved salary amounts help ensure equitable treatment and prevent misunderstandings.

5.3 Police department payroll costs

Total payroll costs for the village increased significantly from 2014 to 2017, especially for the police department, which has contributed to the poor financial condition of the General Fund discussed in MAR finding number 1. During the 2 years ending December 31, 2017, approximately $214,000 was spent on payroll, with more than $95,000 (45 percent) being for police officer salaries. Total spending from the General Fund was approximately $400,000, meaning approximately 53 percent of total spending was for salaries. Payroll expenditures totaled $75,069 for 2014, $85,468 for 2015, $113,332 for 2016, and $100,950 for 2017.

The Board has not performed an analysis to determine the level of police protection needed or if its police department payroll costs are comparable to other similar cities. Payroll for the police department increased significantly from 2014 to 2016, and then began to decrease in 2017 and 2018 after the police department was disbanded and all officers but the Police Chief were terminated. During 2014 to 2018, the following amounts were spent by the village on police payroll.

2014 - $26,842
2015 - $35,256
2016 - $53,417
2017 - $41,627
2018 - $17,739

We performed a comparison of police department payroll to 3 other cities in Platte County with a similar population size and determined that Ferrelview spent significantly more on law enforcement than those cities. The following chart shows the police payroll comparison.

City/Village	2017 Population[1]	2017 Police Payroll Costs
Ferrelview	373	$ 41,627
Dearborn	446	6,713
Camden Point[2]	695	0
Edgerton	564	14,599

[1] Population obtained from https://datausa.io.
[2] The Camden Point City Clerk indicated the city has no police force and does not pay for police protection from another entity.

Given the village's poor financial condition and to ensure taxpayer funds are spent wisely, the Board should evaluate the overall payroll costs, particularly the amount spent for police services, to determine the level of personnel necessary to properly serve the village.

Recommendations

The Board of Trustees:

5.1 Adequately segregate payroll duties or, at a minimum, ensure a documented periodic review of these functions is performed by someone independent of the payroll functions. In addition, the Board should ensure timesheets are prepared, properly signed, approved and retained for all employees, and the information is reviewed for accuracy prior to entry into the accounting system.

5.2 Adopt necessary personnel ordinances and/or policies, and ensure compliance with those ordinances and policies.

5.3 Evaluate the level of personnel services, including police protection, provided by the village and determine if any changes are warranted.

Auditee's Response

5.1 We will develop procedures to ensure a review of payroll records is performed and will ensure timesheets are prepared for employees and reviewed for accuracy.

5.2 We will update ordinances and personnel policies and ensure they are followed in the future.

5.3 We have already taken steps to reduce the level of personnel employed by the Board. We have placed limits on the level of police protection provided to keep costs at a level affordable to the village and have consolidated some administrative positions in an effort to reduce payroll.

6. Disbursements

Village procedures over disbursements need improvement.

6.1 Approval process

The Board's approval process for disbursements is not adequate. The Village Treasurer indicated a copy of the check register showing all checks written since the last meeting is presented to the Board at each Board meeting, but these registers have not been part of the official minutes. Since the registers report spending for the time period prior to the meeting, the Board was not approving payments before they occurred and the minutes of Board meetings during 2017 did not mention bills approved for payment. In addition, we saw no evidence any Board members reviewed invoices or other supporting documentation prior to payments occurring or that the Chairperson or other check signers reviewed invoices prior to signing checks.

To ensure disbursements are appropriate the Board should require a complete and accurate listing of all disbursements be provided for its review and approval, and conduct an adequate review of the list of bills, invoices and checks written prior to checks being issued. The Chairperson or other Board member signing checks should also document their approval of invoices.

6.2 Allocation of funds

The Board has no documentation of any discussions held or the basis for determining the amounts paid from the Water and Sewer Fund and Street Fund to the General Fund. During the years ended December 31, 2016, and 2017, the village issued checks totaling $39,855 and $63,292, respectively from the Water and Sewer Fund to the General Fund and $697 and $14,948, respectively from the Street Fund to the General Fund.

Documentation is not maintained to support the amounts paid and the village has not developed a method to allocate administrative costs to any funds, so these payments appear, at least partially, to be subsidies to the General Fund. The minutes for the September 12, 2017, Board meeting indicate the Village Treasurer told the Board that $2,040 was paid monthly from the Water and Sewer Fund to the General Fund during 2016 for general office expenses, but that amount was increased to $4,800 during 2017. These minutes also document the Village Treasurer reporting that no further payments from the Water and Sewer Fund to the General Fund could occur during 2017, although more than $15,000 of the total payments from the Water and Sewer Fund to the General Fund occurred from September 15, 2017, to December 31, 2017. No discussions by the Board were held on this topic, and no explanation or documentation of the support for these payments was provided.

The proper allocation of expenses is necessary for the village to accurately determine the results of operations of specific activities, thus enabling the village to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenditures to village funds should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs from shared functions/employees benefiting multiple funds.

6.3 Grant expenditures

The village was required to repay $5,102 in grant funding due to noncompliance with the grant agreement. The police department applied for a grant from the Department of Public Safety (DPS) in September 2016 to purchase equipment, consisting of 2 flare containers and sets of flares, 2 sets of traffic cones, and 4 body armor vests. The village received the grant funding in January 2017.

The grant application specified various grant requirements, including attendance at a mandated grant training session, and specified the date ranges within which the purchase of equipment and payment to the vendor had to occur. The purchase of approximately $4,700 worth of equipment occurred on June 6, 2017, but the vendor was not paid until October 17, 2017, after the deadline established in the grant agreement. An email message was sent to the village from the DPS on September 11, 2017, requesting return of grant funds, and a letter was also sent to the village on that date. Subsequently, documentation obtained indicates an official with DPS spoke with a village

official and informed them that deadlines were missed and the funds would have to be returned. On December 18, 2017, the village repaid the funds to the DPS. Lack of monitoring by the Police Chief and the Board to ensure grant requirements and deadlines were met resulted in the loss of this funding.

The Board has a fiduciary responsibility to develop effective grant monitoring procedures to ensure grant requirements are met.

6.4 Petty cash

The Village Treasurer does not maintain a petty cash ledger or adequate documentation to support petty cash transactions. Vendor receipts maintained show $1,214 was spent in 2016 and $290 in 2017 from petty cash funds. The village maintained two petty cash funds, one which was being used and at the time of our cash count on March 7, 2018, held $76 (along with receipts for purchases totaling $29). Village personnel indicated the other petty cash fund had not been used recently, but at the time of our cash count on March 13, 2018, held $32 (along with receipts for various petty cash expenditures from 2014 to 2017 totaling $1,788). Neither fund is maintained at an imprest level, but personnel indicated they are supposed to be kept at $100 and $50. In addition, supporting documentation is not retained for all purchases.

To ensure all activity of the petty cash fund is properly accounted for, the village should maintain a petty cash ledger documenting receipts, disbursements, and the balance of the petty cash fund. In addition, documentation should be retained to support disbursements from the fund.

6.5 Written contracts

The village does not have written contracts with some service providers and certain outside parties. Written contracts have not been established with vendors or entities providing information technology, fire protection, and legal services.

Clear and detailed written contracts are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure village monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

Recommendations

The Board of Trustees:

6.1 Ensure complete lists of disbursements are prepared and compared to invoices and other supporting documentation, check signers review invoices, and these reviews are documented.

6.2 Ensure payroll costs and other disbursements are properly allocated to the applicable village funds and allocations are supported by adequate documentation.

6.3 Develop procedures to ensure requirements are complied with for any future grants obtained.

6.4 Maintain a petty cash fund ledger and retain adequate documentation of all petty cash disbursements.

6.5 Enter into written contracts defining services provided and benefits received.

Auditee's Response

6.1 We will tighten controls over the disbursement process and will begin requiring a complete listing of disbursements be provided to the Board monthly. Supporting documentation for disbursements is now being reviewed by all check signers and we will ensure the review of invoices is documented in the future.

6.2 We agree and will develop procedures to properly allocate payroll costs and administrative expenses to the various village funds.

6.3 We will ensure grant requirements are met in the future.

6.4 We have eliminated all petty cash funds.

6.5 We agree and will do this.

7. Capital Assets

Improvement is needed over capital asset records and for dispositions of capital assets.

7.1 Capital asset records

The village does not maintain records of its capital assets including buildings, land, vehicles, equipment, and other property. The village also does not tag, number, or otherwise identify assets for specific identification or perform physical inventories.

A lack of records related to capital assets almost resulted in the loss of several body armor vests (costing about $1,000 each). In July 2017, the Municipal Court and the police department were disbanded. The Police Chief was kept on initially, but subsequently, in November 2017, was placed on paid administrative leave. An interim Police Chief was hired to assist with the closing of the police department. He contacted the Police Chief to obtain the 4 custom body armor vests assigned to officers (see MAR finding number 6.3). While 4 vests were returned, we inspected the returned vests in March 2018 and it was clear from this visual inspection that at least 2 of the 4 vests returned were not the vests purchased by the village. None of the 4 vests were tagged or marked as village property and 2 of the vests were clearly different than the other 2, but all 4 vests purchased in June 2017 should have been the same based on the invoice. Eventually, when the Police Chief was reinstated in April 2018, the remaining 2 vests were returned.

Property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the

village. For capital assets assigned to individual employees a document should be signed upon checkout of the asset detailing the asset is property of the village, the process for returning those items upon resignation or termination from the village, and the responsibilities of the individual in regards to the asset.

7.2 Disposition of police vehicles

The sale of police vehicles was not handled properly.

Village personnel placed an advertisement in the local newspaper on December 20, 2017, soliciting bids for the sale of 2 police vehicles. The advertisement stated the village was accepting sealed bids for the sale of a 2005 Ford Crown Victoria, with a minimum bid of $900, and a 2002 Ford Crown Victoria, with a minimum bid of $500. Bids were required to be mailed or emailed to the village by January 2, 2018. The advertisement did not specify the color of each vehicle and when bids were received, several referred to the vehicles by year and by color, but the year indicated did not match the year of the vehicle. For example, some bids referred to the 2005 vehicle as the tan/brown vehicle, while the 2002 was referred to as the white vehicle. The 2005 vehicle is actually white, while the 2002 is the tan/brown vehicle.

The Board selected the winning bidders at its January 9, 2018, meeting with the results documented in the minutes. However, the sales did not occur to those bidders as approved. A summary of the bids received follows, and the vehicle bid on is based on the vehicle the city understands the bidder intended to bid on.

Bidder	Vehicle Bid On*	Amount Bid	Status
1	White 2005	$ 2,500	Still wants vehicle
2	White 2005	$ 550	Purchased White 2005 for bid of $550
2	Tan/Brown 2002	$ 1,100	Not sold - still owned by village
3	Tan/Brown 2002	$ 1,200	Declined purchase
4	White 2005	$ 600	Declined purchase
5	Tan/Brown 2002	$ 1,800	Declined purchase

* Several bid documents showed the year for the other vehicle for sale, but we list here what the city interpreted as the vehicle the bidder intended to bid on, primarily based on the color listed on the bid documents. For example, Bidder 1 indicated White 2002 on his bid, but he intended to bid on the 2005 vehicle.

The January 9, 2018, Board meeting minutes indicate bidder 1 won the bid for the 2005 vehicle and bidder 5 won the bid for the 2002 vehicle. At the meeting, bidder 2 (who was a village Trustee and submitted a bid for each vehicle) pointed out that the 2002 vehicle had been broken into and damaged

after the advertisement was run. Bidders 3, 4, and 5 subsequently contacted the Village Clerk to withdraw their bids. A February 21, 2018, email message from the Village Clerk to bidder 2 (Trustee) indicated that she was planning to contact bidder 1 to determine if he wanted the 2005 vehicle and, if not, the trustee would be awarded the bid for both vehicles.

On February 23, 2018, the Village Clerk sent bidder 2 (Trustee) an email stating "the guy wants to buy the white car he wants the other decals off he is coming on Monday (February 26) to bring his money he is paying $600 and get the title." We saw no evidence in the minutes of any Board meetings that the price of either vehicle was approved to be reduced by the Board. The former Village Clerk told us a representative of bidder 1 came to look at the 2005 vehicle on February 26, but since it was not operable, she could not test drive it and left. It is unclear who approved the sale of the 2005 vehicle to bidder 2 (Trustee). No documentation could be provided showing this action was approved by the Board. On February 26, 2018, bidder 2 (Trustee) paid $550 to the Village Treasurer and took possession of the 2005 vehicle.

We contacted bidder 1 on March 13, 2018, to inquire whether he had declined to purchase the 2005 vehicle. He indicated he still wanted it and he stated the day after his bid was accepted the Village Clerk had called offering the vehicle for $600. Bidder 1 indicated he sent a representative to look at the vehicle on February 23, 2018, but she could not drive it because it did not have a battery. The March 13, 2018, Board minutes indicate there were concerns with the process followed regarding the vehicle purchased by bidder 2 (Trustee). A motion was made, and the Board voted unanimously, to contact the high bidder and determine if he was still interested in purchasing the vehicle. If he was not, the Board voted to rerun the advertisement. Bidder 2 (Trustee) and his wife, the Board Chairperson at the time, both voted on this matter.

Although the bid submitted for the 2005 vehicle by Bidder 2 (Trustee) did not meet or exceed the minimum bid set forth in the advertisement and the Board never approved his purchase of the vehicle, he currently retains possession of the vehicle. Due to the conflicts between years and colors of vehicles bid on, the lack of clear documentation on decisions made by the Board and how those directions were carried out, and the vehicle being sold to a Board member for much less than the minimum bid amount established in the advertisement, this transaction gives the appearance of a conflict of interest and violates the Missouri Constitution. All bids should have been rejected once village officials identified errors in the process and bids should have been re-solicited. Any bids received below the minimum threshold for each vehicle should have also been rejected. Had that been done, the Trustee would not have been in a position to purchase the 2005 vehicle. The 2002 vehicle was never purchased and is still owned by the village.

Board members serve in a fiduciary capacity. Failing to ensure adequate documentation was maintained surrounding the sale of a village asset to a Board member and selling it for less than the minimum amount set by the Board violates the Missouri Constitution by of donating things of value to an individual. Article VI, Section 23 and 25 of the Missouri Constitution specifically prohibits counties, cities, or other political subdivisions of the state from granting public money or things of value to any corporation, association, or individual.

Recommendations

The Board of Trustees:

7.1 Ensure village personnel properly tag, number, or otherwise identify all applicable village property and conduct and document an annual inventory.

7.2 Establish policies and procedures for the sale of village assets and ensure future sales are clearly documented, bid specifications for payment are met, and avoid the appearance of a conflict of interest. In addition, the Board should take action to retrieve the vehicle sold.

Auditee's Response

7.1 We will ensure village property is properly accounted for in the future and will ensure an annual inventory of assets is performed.

7.2 We plan to review procedures and will tighten controls over the sale of any village assets in the future. Any future sales involving a Board member will be monitored closely to ensure conflicts of interest are avoided. We will discuss the situation surrounding the sale of the village police vehicle and determine what action to take to retrieve the vehicle if possible.

8. Ordinances and Sunshine Law

Village ordinances are not organized, complete, or up to date. The Board generally meets once per month and did not always comply with the Sunshine Law. The Board held 16 closed sessions in 2016, 13 closed session in 2017, and 3 closed sessions from January to March 2018.

8.1 Ordinances

Village ordinances are not organized, complete, or up to date. Village ordinances are not codified or maintained in a well-organized manner. Also, the ordinances pertaining to employees' job responsibilities, work hours, compensation, and other applicable items have not been updated since December 1953. Section 80.240, RSMo, provides that the Board may appoint certain officials, prescribe their duties, and fix their compensation. Compensation should be set by ordinance.

Because ordinances passed by the Board to govern the village and its residents have the force and effect of law, it is important they are current, complete, and organized.

8.2 Record requests

Village personnel do not maintain adequate records of requests for records to show compliance with state law. While the village could produce actual request letters and their response letters, a log of requests is not maintained for providing other important information, such as the date a request was received, when records were provided, or important communications related to these requests.

Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request is received by the custodian of records. To ensure compliance with state law, the village should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of filling the request.

8.3 Closed sessions

The village did not comply with state law regarding closed sessions.

Reasons for closing meetings

Open meeting minutes did not always document the specific reasons or section of law allowing the meetings to be closed. Most meeting notices and agendas included a statement that a closed session would be held, in the event the Board wanted to enter closed session, and the statement generally included the same list of potential discussion matters.

Section 610.022, RSMo, of the Sunshine Law, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the vote and reason into the minutes. The section also limits discussion topics and actions in closed meetings to only those specifically announced prior to closure.

Allowable topics

Some topics discussed and voted on in closed meetings were not allowable under the Sunshine Law. For example, the Board discussed the disposal of a police vehicle, voted to give the now former Village Clerk a raise, and had a discussion of audience behavior at Board meetings.

Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law.

Insufficiently detailed meeting minutes

Minutes for some closed session meetings did not include sufficient details of the topics discussed. During our review of closed session minutes, we noted 3 instances in 2017 where the topic of the meeting could not be determined and the minutes simply indicated no votes were taken. While the open meeting minutes documented a specific section of law for closing each meeting, without documentation of topics addressed, we could not determine if the discussion was restricted to only allowable topics.

Such documentation is important to both demonstrate compliance with statutory provisions and provide information for future reference should concerns or questions be raised regarding topics addressed in closed meetings. Sections 610.020, 610.021, and 610.022, RSMo, provide requirements regarding closure of meetings and documentation.

8.4 Meeting minutes

Minutes for monthly Board meetings are neither signed by the Village Clerk as the preparer, nor the Board Chairperson or another Board member to indicate Board approval.

Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. The meeting minutes should be signed by the Village Clerk as preparer and Board Chairperson or another Board member to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

Recommendations

The Board of Trustees:

8.1 Ensure ordinances are maintained in a complete and well-organized manner and an index of all ordinances passed and rescinded is established. The Board should also establish and or update, by ordinance, village employees' compensation and fees for village services.

8.2 Ensure requests for information are responded to timely and maintain a public request log to help ensure compliance with state law.

8.3 Ensure specific reasons for closing a meeting are documented in the open minutes, and ensure only topics allowed by state law are discussed in closed meetings. In addition, the Board should ensure closed meeting minutes include sufficient detail necessary to provide a complete record of matters discussed and actions taken.

8.4 Maintain complete and accurate minutes for all meetings and ensure meeting minutes are signed by the preparer as well as the Board Chairperson or another Board member following Board approval.

Auditee's Response

8.1 We are in the process of updating and implementing revisions to the village ordinances to address these concerns.

8.2 We agree with this recommendation and plan to ensure a log of sunshine requests is developed to ensure responses are timely.

8.3 We will ensure state law is followed in the future when closing meetings and will ensure sufficient documentation is maintained in the minutes for closed meetings.

8.4 We have already implemented this recommendation.

9. Electronic Data Security

Controls over village computers are not sufficient to prevent unauthorized access, and sufficient plans and processes are not in place for recovering systems and data. As a result, village records are not adequately protected and are susceptible to unauthorized access, and the village faces an increased risk of not being able to resume normal business operations timely.

9.1 Passwords

The Board has not established adequate password controls to reduce the risk of unauthorized access to the village's computers and data. The Village Treasurer and Village Clerk are not required to change passwords periodically. In addition, the village has not established procedures to disable computer access promptly upon employee terminations/resignations.

While passwords are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data. Without effective procedures to periodically review and remove user access, terminated employees could continue to have access to confidential data or other sensitive resources.

9.2 Contingency plan and backup data

The village has not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. In addition, the village does not periodically test backup files to ensure essential data can be restored, and does not store backup files at a secure off-site location.

The Village Clerk periodically backs up data from the utility system on her office computer. Instead of storing this data on a removable media that can be taken to an off-site location, she just overwrites the previous backup file.

A formal, written contingency plan should be prepared, and periodically tested and updated as needed to address actions for restoring computer systems should a disaster or other extraordinary situation occur. In addition, completing regular data backups and periodically testing for recovery of the data helps ensure current data is available to be restored and is complete and reliable. Storing backup files in a secure off-site location increases assurance village the records will be available if necessary.

Recommendations

The Board of Trustees:

9.1 Require a unique password for each employee that is confidential and periodically changed to prevent unauthorized access to the village's computers and data. Ensure all user access to the system is periodically reviewed and unnecessary access is removed timely.

9.2 Develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also require

village personnel to back up data properly, test restoration of backup data periodically, and store backup files in a secure off-site location.

Auditee's Response

9.1 *We will ensure adequate password controls are in place and will review access controls to ensure users are removed timely when necessary.*

9.2 *We are in the process of developing a formal written contingency plan and will ensure backup files are prepared, maintained off-site, and periodically tested.*

Village of Ferrelview
Organization and Statistical Information

The Village of Ferrelview is located in Platte County. The village was incorporated in 1953. The village employed one full-time employee and 4 part-time employees on December 31, 2017.

Village operations include law enforcement services, water and sewer services, and street maintenance.

Chairperson and Board of Trustees

The village government consists of five-member board of trustees. The members are elected for 2-year terms. The chairperson, who is a member of the board, is elected to a 1-year term and presides over the board of trustees. The Board of Trustees, at December 31, 2017, are identified below. The Board members are paid $75 per month, with the Chairperson receiving an additional $75 per month.

Theresa Wilson, Board Chairperson
Deidre Carr, Trustee (1)
Russell Wilson, Trustee (2)
Melvin Rhodes, Trustee (3)
Phillip Gilliam, Trustee (4)

(1) Lydia (Beth) Whorton was elected in April 2018 to fill this position.
(2) Russell Wilson resigned in September 2018 and Frank Baumann was appointed to fill this position in October 2018.
(3) John Rydholm was elected in April 2018 to fill this position.
(4) Selected as Board Chairperson in April 2018.

Financial Activity

The following page shows the city's financial activity, prepared using the city's bank statements, for the year ended December 31, 2017.

Village of Ferrelview
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended December 31, 2017

	General	Street	Water and Sewer	Law Enforcement Training	Certificates of Deposit		Total
RECEIPTS	$ 214,913	17,290	197,944	517	0		430,664
DISBURSEMENTS	(194,588)	(26,896)	(221,021)	(2,185)	(15,000)		(459,690)
RECEIPTS OVER (UNDER) DISBURSEMENTS	20,325	(9,606)	(23,077)	(1,668)	(15,000)		(29,026)
CASH, JANUARY 1, 2017	2,213	65,529	33,288	3,168	60,000		164,198
CASH, DECEMBER 31, 2017	$ 22,538	55,923	10,211	1,500	45,000	(1)	135,172

(1) The balances maintained in certificates of deposit include $10,000 for the General Fund and $35,000 for the Water and Sewer Fund.

NICOLE GALLOWAY, CPA
Missouri State Auditor

March 12, 2019

Honorable Charles Robert Vunovich, Mayor
and
Members of the Board of Aldermen
City of Amoret
PO Box 105
Amoret, Missouri 64722

This letter communicates the results of our review of the handling of utility receipts by city personnel. This review was initiated based on work performed as part of the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program when we identified missing utility receipts from October 2018 totaling $170.40 and additional concerns related to the handling of customer utility payments. The objectives of our review were to evaluate the city's internal controls over the handling of utility payments and determine the extent of utility payments missing from the city during the period September 2018 through December 2018. The Follow-Up Report on Audit Findings - City of Amoret, Report No. 2019-017, was issued in March 2019.

Methodology

Our methodology included obtaining an understanding of procedures and records related to the handling of customer utility payments; reviewing utility receipt and deposit records, and other pertinent documents; interviewing various city personnel, as well as certain external parties; and testing selected transactions.

Background

In January 2018, the former City Clerk resigned and an alderman's wife was appointed to serve as City Clerk. In April 2018, this Alderman was elected as Mayor. In September 2018, the former City Treasurer resigned and rather than appointing a new City Treasurer, the Board appointed the City Clerk as City Treasurer and combined these positions, resulting in control problems more serious than those reported in the audit report. The City Clerk/Treasurer is primarily responsible for financial accounting functions and records of the city, including the duties of receiving, recording, preparing and making deposits, receiving and reconciling bank statements to accounting records, and preparing financial reports. The Board is not performing independent reviews of the detailed accounting records or deposits prepared by the City Clerk/Treasurer.

The City Clerk/Treasurer processes payments received through the drop box and mail, and in person at city hall approximately 2 or 3 times a month, but does not issue receipt slips. Instead, she records the date of payment, amount, and method of payment on the monthly utility billing ledger that lists customers alphabetically and prepares the deposits.

Results and Conclusions

Receipting, recording, and depositing procedures are not adequate. The City Clerk/Treasurer does not record receipts on the monthly utility billing ledger in date order and receipts are not reconciled to deposits. Although the City Clerk/Treasurer lists payee names for individual checks and money orders on the deposit slips, there is no indication of which cash receipts are included in the deposit. As a result, it is not possible to demonstrate all monies received were deposited. On December 6, 2018, after our inquiry about the October 2018 missing receipts totaling $170.40, the City Clerk/Treasurer said she found the $100.00 cash and $70.40 money order in a separate money bag in city hall and would get it deposited. On December 21, 2018, the City Clerk/Treasurer provided us with a deposit slip copy dated December 10, 2018, listing October cash of $170.40 and November cash of $449.35, for a total cash deposit of $619.75. This copy included a handwritten note stating the $70.40 was cash recorded as a money order on the utility billing ledger by mistake (see Appendix A). On January 2, 2019, after multiple requests for the bank receipt to confirm deposit of the $619.75, the City Clerk/Treasurer provided us a copy of a bank receipt dated December 31, 2018, for $1,172.59, and indicated the $619.75 cash was included in this deposit. However, we obtained bank deposit records for this deposit and confirmed it did not include the October and November cash totaling $619.75. Rather, it was comprised of $200.00 cash, $882.43 of checks, and a $90.16 money order, and these items agree to utility monies collected between December 16 and December 31, 2018, per the utility billing ledger. Our review of bank records confirms the deposit slip dated December 10, 2018, for cash totaling $619.75 was not deposited in the bank account during December 2018, and matched none of the December 2018 bank deposit records.

Our review of city receipt and bank deposit records from September through December 2018 identified recorded receipts totaling $634.60 ($487.80 cash plus $146.80 money orders) were not deposited. The money orders not deposited were recorded as payments for the City Clerk/Treasurer's personal utility account. It is unclear if these money orders ever existed or rather were just recorded on the ledger to show the City Clerk/Treasurer's account balance as paid. See Appendix B for details regarding undeposited receipts.

In addition to undeposited monies, we also identified 2 checks and 1 money order totaling $717.16 that were deposited but not recorded as receipts on the monthly utility billing ledgers.

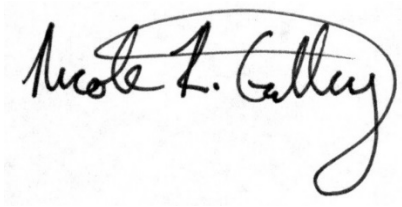
The lack of segregation of duties, inadequate controls, and the absence of proper oversight by the Board of Aldermen resulted in the missing monies and unrecorded receipts going undetected.

In addition, the Water Meter Reader responsible for preparing utility bills has access to the drop box and collects cash payments from some customers at their homes. Monies collected by the Water Meter Reader are either placed in the drop box or turned over to the City Clerk/Treasurer to record and deposit. Because the Water Meter Reader is responsible for preparing the utility billings, she should not have access to the drop box or collect monies from customers. Preparing billings and also collecting monies represents a significant control weakness.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Also, Attorney General's Opinion No. 24-1955 (June 10, 1995) to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. To reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by issuing prenumbered receipt slips for all monies received, reconciling the composition of receipts to the composition of deposits, segregating duties, and implementing documented supervisory or independent reviews of detailed accounting records and deposits.

Recommendations

The Board of Aldermen should further investigate the missing utility payments and take necessary action to recover this money as appropriate. The Board should ensure prenumbered receipt slips are issued for all monies received and the composition of deposits is reconciled to the composition of receipt slips. In addition, the Board should segregate accounting duties as appropriate, and implement independent reviews and monitoring procedures.

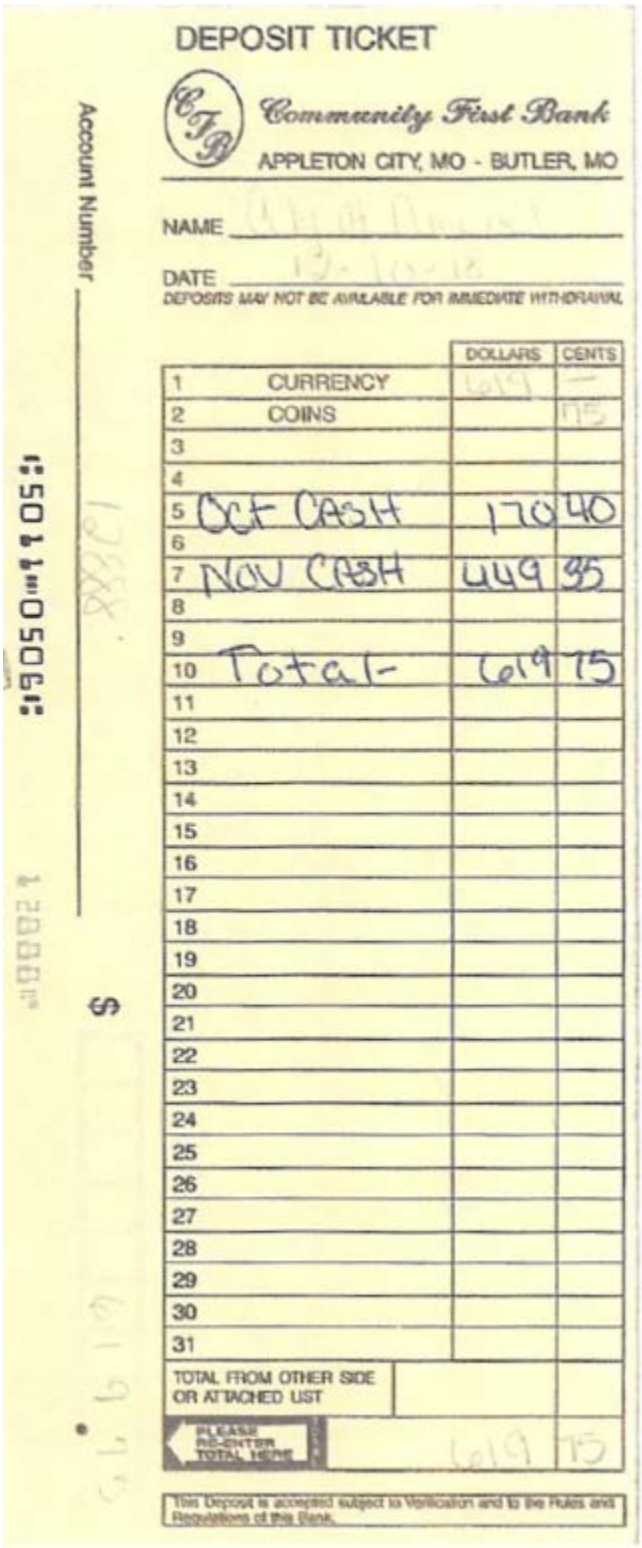


Nicole R. Galloway, CPA
State Auditor

March 2019
Report No. 2019-018

Appendix A

Deposit Slip Prepared But Not Deposited as of December 31, 2018



DEPOSIT TICKET

Community First Bank

APPLETON CITY, MO - BUTLER, MO

NAME

DATE 12-10-18

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Account Number

:9050:1105:

		DOLLARS	CENTS
1	CURRENCY	619	—
2	COINS		75
3			
4			
5	Oct CASH	170	40
6			
7	NOV CASH	449	35
8			
9			
10	Total-	619	75
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
TOTAL FROM OTHER SIDE OR ATTACHED LIST			
PLEASE RE-ENTER TOTAL HERE		619	75

This Deposit is accepted subject to Verification and to the Rules and Regulations of this Bank.

70 40 was Cash I wrote no by mistake. I used to always send a m/o Tch the

Appendix B
City of Amoret
Supporting Documentation - Undeposited Utility Receipts

Date Receipt Recorded		Recorded Cash Received	Recorded Money Orders Received (1)	Amount Deposited	Amount Received But Not Deposited	Total by Month Not Deposited
10/15/2018	$	0.00	70.40	0.00	70.40	
10/21/2018		100.00	0.00	0.00	100.00	170.40
11/15/2018		30.00	0.00	0.00	30.00	
11/15/2018		103.00	0.00	0.00	103.00	
11/15/2018		67.50	0.00	0.00	67.50	
11/15/2018		53.00	0.00	0.00	53.00	
11/15/2018		29.45	0.00	0.00	29.45	
11/15/2018		90.00	0.00	0.00	90.00	
11/15/2018		0.00	76.40	0.00	76.40	449.35
December 2018 (2)		556.75	0.00	541.90	14.85	14.85
	$	1,029.70	146.80	541.90	634.60	634.60

(1) Payment on City Clerk/Treasurer's utility account

(2) Cash receipt activity was summarized for December 2018 because the deposit slips did not list payee names for the cash receipts included in the deposits.

Office of Missouri State Auditor

Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Amoret

Report No. 2019-017
March 2019

auditor.mo.gov

City of Amoret
Follow-Up Report on Audit Findings
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*Includes selected findings

NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Amoret, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2017-123, *City of Amoret* (rated as Poor), issued in October 2017, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.

2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:

    - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
    - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
    - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
    - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussions with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during June, July, and October through December 2018. While working with the city in conducting the follow-up work, we identified missing utility receipts totaling $170.40 and various concerns related to the handling of customer utility payments. Additional work related to these payments was completed during December 2018 and January 2019, and the results and conclusions are addressed in a letter to the Mayor and the Board of Aldermen dated March 12, 2019, and released as Report No. 2019-018.

Nicole R. Galloway, CPA
State Auditor

City of Amoret
Follow-Up Report on Audit Findings
Status of Findings

1. Accounting Controls and Procedures

Accounting controls and procedures needed improvement.

1.1 Receipting, recording, and depositing procedures

The city's procedures for receipting, recording, and depositing were poor. As a result, there was no assurance all monies collected were properly receipted, recorded, and deposited.

A review of receipts and deposits records noted various concerns.

- The City Treasurer did not issue receipts slips or retain paid billing statements for utility collections, which included charges and fees for water, sewer, and fire protection services.
- The City Collector did not record the date of payment and method of payment in the paid tax receipt book or identify the receipts composing tax deposits.
- The composition of both utility and tax collections was not reconciled to deposits.

In addition, the City Collector was solely responsible for receiving and recording property tax payments and transmitting them to the bank for deposit. The City Clerk compared the paid tax receipt book to payment notations made in the tax assessment books, but did not compare receipt records to deposits.

Recommendation

The Board of Aldermen ensure receipt slips are issued for all utility payments, the date of payment and method of payment is noted for tax collections, receipts composing tax deposits are properly noted on the deposit slip, and the composition of all receipts is reconciled to the composition of deposits. In addition, the Board should implement procedures to ensure documented independent or supervisory reviews of the City Collectors' deposits are performed.

Status

Not Implemented

The city had significant turnover in the positions of City Collector, City Clerk, and City Treasurer since the release of our audit report in October 2017. The City Collector indicated she took the oath of office after winning reelection in April 2017, but has not collected any monies since the election because the Board entered into an agreement with the Bates County Collector-Treasurer in September 2017 to collect future taxes. In January 2018, the former City Clerk resigned and an alderman's wife was appointed as City Clerk. In April 2018, this Alderman was elected as Mayor. The former City Treasurer resigned in September 2018. Rather than appointing a

new City Treasurer, the Board appointed the City Clerk as City Treasurer and combined these positions.

The City Clerk/Treasurer is primarily responsible for financial accounting functions and records of the city, including the duties of receiving, recording, preparing and making deposits, receiving and reconciling bank statements to accounting records, and preparing financial reports. The Board does not perform independent reviews of the detailed accounting records or deposits. In addition, the Water Meter Reader responsible for preparing utility bills has access to the payment drop box and collects cash payments from some customers at their homes. As a result, controls over receipting, recording, and depositing have further weakened since the completion of the audit.

We reviewed utility records for March, April, September, and October 2018 and determined city personnel do not (1) issue receipt slips or maintain a complete record of all receipts, (2) always record the method of payment, and (3) reconcile the composition of receipts to the composition of deposits. In addition, independent reviews are not performed.

Our limited review of the March, April, and September 2018 utility billing ledgers determined the method of payment was not recorded for 33 receipts in March, any of the 77 receipts in April, and 7 receipts in September. We noted the method of payment was not recorded for 1 receipt on the October 2018 monthly utility billing ledger.

Our detailed review of the October 2018 utility receipts identified discrepancies between payments recorded on the utility billing ledger and corresponding deposits. The October 2018 utility billing ledger showed payments totaling $6,480.11, comprised of $442.70 cash, $5,845.91 checks or money orders, $128.00 prepaid on account, and $63.50 with no method of payment recorded. The corresponding deposits dated October 17, 2018, and November 6, 2018, totaled $6,181.71 ($298.40 less than recorded receipts). After considering the monies prepaid on account were deposited on September 4, 2018, and accounted for in the ledger, items that could not be traced to deposit were $100.00 in cash and a $70.40 money order (total $170.40). The money order was recorded as payment for the City Clerk/Treasurer's personal utility bill.

As a result of continued problems with records and inadequate reviews, the Board was not aware of the $170.40 in unaccounted for utility receipts until we discussed this issue with the Mayor. Due to this discrepancy and the significant control weaknesses effective with the personnel changes and combined City Clerk/Treasurer position, we reviewed additional utility and deposit records and identified various concerns. The results and conclusions

are addressed in a letter (report No. 2019-018), issued in March 2019 to the City of Amoret Mayor and Members of the Board of Aldermen.

1.2 Bank reconciliations

The City Treasurer did not perform bank reconciliations for the city's 7 bank accounts. In addition, beginning and ending book balances were not maintained in the monthly account ledgers prepared by the City Treasurer. The lack of beginning and ending book balances hindered the City Treasurer's ability to complete bank reconciliations.

Recommendation

The Board of Aldermen ensure monthly bank reconciliations are prepared for all bank accounts and cumulative book balances are maintained.

Status

In Progress

City personnel indicated they have prepared bank reconciliations since January 2018. However, our review of the April, May, and October 2018 bank reconciliations shows they are not prepared properly because they simply restate the information shown on the bank statements. After receiving the bank statements, the City Clerk/Treasurer prepares the monthly account ledgers (summary financial reports) using amounts from the bank statements, then adjusts the total disbursements for any checks that have not cleared the bank to arrive at the ending book balance. In addition, the checkbook registers did not contain running book balances. Because financial records were not maintained independent of the bank records, it was not possible to reconcile the bank statement balance to the book balance. In December 2018, city personnel began adding cumulative book balances to the checkbook registers and agreeing the reconciled bank balances to the book balances.

1.3 Board of Aldermen and Mayor qualifications

The city does not have procedures in place to ensure information regarding a person who may be unqualified to run for or hold elected office is reported to the appropriate authority, such as the state Department of Revenue (DOR) for unpaid tax issues as provided in Section 115.306, RSMo. An Alderwoman may not have been qualified to serve on the Board due to questions about her residency and the Mayor may not have been qualified to file as a candidate due to having delinquent city taxes.

Recommendation

Seek legal advice and resolve concerns regarding the current Alderwoman's and Mayor's qualifications to serve. In addition, the Board should establish procedures for handling future situations when the city receives information regarding a person potentially unqualified to run for or hold office, including transmitting this information to the appropriate authority.

Status

Not Implemented

The Alderwoman and Mayor who were potentially unqualified to run for or hold office, as discussed in the audit report finding, no longer serve on the Board. The Board has not established procedures for handling future situations when the city receives information regarding a person potentially unqualified to run for or hold office. A similar election issue occurred again in 2018. A person running for alderman was listed on the April 2018 election ballot and won despite owing delinquent city property taxes at the time of the election. The newly elected Alderman served on the Board until he resigned in August 2018, after we began inquiring about the status of report recommendations.

2. Utility System Controls and Procedures

Utility system controls and procedures needed improvement.

2.1 Delinquent accounts

The Board had not established adequate procedures to ensure the accounts of city officials, city employees, and their family members were properly monitored, assessed applicable penalties, or disconnected when appropriate. Ordinance, billing statement instructions, and city practice regarding the handling of delinquent accounts differed, and reports of delinquent utility accounts were not provided to the Board for review.

Ordinance 2003-115 indicated utility bills were due and payable the first day of the month, late and subject to an additional $10 charge if unpaid after 10 days, and to be disconnected after 30 days. Monthly utility billing statements also listed potential penalties and indicated all water bills will be due and payable on the first day of each month, delinquent on the 15th, and service will be disconnected without further notice on the 16th. However, according to the Water Meter Reader who was also on the Board, neither the ordinance or statement on the utility billing was strictly followed. As of December 31, 2016, 16 customers had accrued delinquent balances totaling approximately $1,700.

The Water Meter Reader maintained a monthly spreadsheet documenting customer billings, payments, and past due balances, but she did not present past due account information to the Board for review. The spreadsheet did not reflect a past due balance for her own account until July 2017, when previous charges were added to it and paid. In addition, utility accounts for the Mayor and his son accrued delinquent balances from December 1, 2016, until March 2017 and July 2017, respectfully, at which time they were paid in full. None of these accounts were assessed penalties or disconnected while delinquent.

Recommendation

The Board of Aldermen clarify and then ensure city policies regarding the assessment of penalties and shut off procedures for delinquent accounts are

followed. In addition, require the Water Meter Reader provide the Board with a complete and accurate report of delinquent accounts along with documentation of any actions taken to collect unpaid amounts.

Status

Partially Implemented

The Board rescinded Ordinance 2003-115 on December 13, 2017, and adopted Ordinance 2018-142 on August 8, 2018, clarifying city policies regarding the assessment of penalties and shut off procedures for delinquent accounts. In addition, the Board approved the Water Meter Reader to purchase blank billing cards so she could print the billing statement instructions on these cards, and ensure it agrees to the newly adopted ordinance. Reports of delinquent accounts and documentation of any actions taken to collect on unpaid amounts are still not provided to the Board for review. Instead, the Water Meter Reader attends each Board meeting and verbally reports summary information to the Board regarding accounts past due, late notices sent out, partial payments made, and accounts disconnected or reconnected. This verbal reporting was evident from our review of April, May, October, and December 2018 meeting minutes.

2.2 Utility rates

The Board could not provide documentation that a formal review of water rates had ever been performed, and as a result there was less assurance the water rates are set at an appropriate level. In addition, the Board last performed a review of sewer rates in 2012. The city last increased sewer rates in 2012 and water rates in 2014.

Recommendation

The Board of Aldermen ensure a statement of costs is prepared to support utility rate increases and document formal reviews of water and sewer rates periodically to ensure revenues are sufficient to cover all costs of providing these services.

Status

In Progress

The May 2018 meeting minutes show the Board discussed the possibility of raising the base sewer rate because the sewer department is short of funds. City personnel subsequently worked on a formal sewer rate review and the Board voted to increase the base sewer rate in December 2018. In addition, city officials indicated they plan to perform a review of water rates in the near future.

2.3 Utility deposits

Refundable utility deposits held in the Meter Deposit Fund were not accounted for properly. The city did not have a listing of deposits held and was not properly tracking deposits. Effective October 2010, Ordinance 2010-100 required a $200 deposit when an account was activated (deposit amounts in previous years were $100, $50, $25, $15, and $5). The city had approximately 90 water and/or sewer accounts, but customer account records were not adequate to determine the amount of deposits held. The

Meter Deposit Fund bank account balance was $3,393 as of December 31, 2016.

Recommendation

The Board of Aldermen account for customer utility deposits previously paid and resolve any discrepancy with the Meter Deposit Fund account balance. In the future the Board should also ensure an accurate list of utility deposits is prepared and reconciled monthly to monies in the Meter Deposit Fund bank account.

Status

In Progress

At the time of our follow-up review, the city has made little effort to implement this recommendation. The City Clerk/Treasurer indicated she has located two old receipt books when organizing records in city hall and plans to work with the Water Meter Reader to create an accurate list of paid utility deposits when time permits. Once prepared, it will be reconciled monthly to monies in the Meter Deposit Fund bank account.

3. Delinquent Property Taxes

The City Collector did not prepare and submit for approval by the Board a monthly list of delinquent tax collections or an annual delinquent tax listing.

Recommendation

The Board of Aldermen require the City Collector to submit monthly lists of delinquent tax collections and an annual list of all taxes remaining due and uncollected at the first meeting of the Board in April.

Status

Not Implemented

While the Bates County Collector-Treasurer is responsible for collecting 2017 and future years' taxes, the city remains responsible for collection of taxes due for 2016 and prior years. City personnel are not actively pursuing collection or maintaining a list of paid and unpaid back taxes.

The City Clerk/Treasurer indicated monthly lists of delinquent tax collections are not presented to the Board, and an annual list of all taxes remaining due and uncollected was not presented to the Board in April 2018. After our follow up inquiries, the City Clerk/Treasurer created a list of delinquent taxes due for the years 2014 through 2016 as of June 25, 2018, totaling $875. In addition, the City Clerk/Treasurer obtained a list of 2017 delinquent taxes from the Bates County Collector-Treasurer on July 3, 2018, totaling $532. The City Clerk/Treasurer indicated she would prepare or obtain monthly lists for the Board. We reviewed the July through October 2018 meeting minutes, and noted there is no indication monthly lists of delinquent taxes have been submitted to the Board.

4.1 Disbursements - Restricted monies

The city did not spend all restricted monies in the Street Fund for street purposes. During the year ended December 31, 2015, the city posted $7,453

in motor vehicle-related revenues received from the state to the Street Fund. However, city officials used $5,085 of this money to pay city insurance costs and another $1,000 to supplement General Fund expenditures.

Recommendation

The Board of Aldermen ensure restricted street monies are spent for allowable purposes only and develop plans to repay the amounts owed to the Street Fund.

Status

Partially Implemented

The City Clerk/Treasurer indicated the Board is monitoring expenses to ensure street monies are spent for allowable purposes only; however, they have not developed any plans to repay the amounts owed to the Street Fund. We scanned disbursements recorded on the city's financial records for the Street Fund for January through October 2018, and noted no improper disbursements. According to the March 2018 meeting minutes, the Board approved the allocation of city insurance costs and only $350 of the total $4,997 paid came from the Street Fund.

4.2 Disbursements - Transfers

The Board had not established controls to ensure transfers between funds were proper, approved by the Board, and timely. Minutes did not always document the discussion or approval of transfers.

Customer monthly billings include charges for water, sewer, and fire department services. Payments are initially deposited into the Water Fund and then money is transferred to the Sewer and Fire Funds. However, these transfers were not always based on actual collections, but rather on utility billings or amounts needed to cover fund expenses. In addition, transfers from the Water Fund to the Fire Fund were only performed periodically. Only 5 transfers from the Water Fund to the Fire Fund occurred during the year ended December 31, 2016.

Recommendation

The Board of Aldermen establish a process to ensure transfers between funds are proper, approved, and timely.

Status

Partially Implemented

Our review of the January through October 2018 meeting minutes showed the Board approved transfers from other funds to the General Fund for payment of the audit costs, which appears appropriate. However, the Board approved a transfer in May 2018 from the Water Fund to the Sewer Fund to pay for the new sewer pump because there was not enough money in the Sewer Fund to cover these expenses, which is not appropriate. In addition, there was no evidence in the meeting minutes to show that transfers of actual collections from the Water Fund to the Sewer Fund and Fire Fund were reviewed and approved by the Board. Our review of April, May, and

October 2018 bank and billings records showed that transfers of sewer and fire services payments initially deposited into the Water Fund to the Sewer Fund and Fire Fund appeared to be based on actual collections. However, there was no documentation in the meeting minutes to show the Board reviewed and approved these monthly transfers.

4.3 Disbursements - Allocation

Some disbursements allocated to only the General Fund and Water Fund could have been allocated to various city funds. For example, in 2016 all costs of the City Clerk and City Treasurer's wages, insurance coverage for buildings and vehicles, and surety bond coverage were allocated to the General Fund when some of these costs could have been allocated to other funds. Similarly that year worker's compensation insurance costs were fully allocated to the Water Fund when some of these costs could have been allocated to other funds.

Recommendation

The Board of Aldermen ensure costs are allocated to the appropriate funds, supported by adequate documentation, and the documentation retained.

Status

Partially Implemented

Based on our review of the meeting minutes and financial records, some costs are being allocated to the appropriate funds. However, documentation is lacking and some costs are still not allocated. For example, the Board approved the breakdown of city insurance costs at its March 2018 meeting, but the city did not retain documentation to demonstrate how the allocation amounts were determined. In addition, city personnel could not provide documentation showing if other costs for items such as wages and bond coverage were allocated to appropriate funds in 2018.

4.5 Disbursements - Bidding policy

The city did not have a written bid policy. In addition, during the 2 years ended December 31, 2016, the city did not solicit bids for insurance, tree trimming service, mowing, or fire truck repairs.

Recommendation

The Board of Aldermen establish a formal bidding policy and ensure all applicable purchases are made in accordance with the policy.

Status

Implemented

The Board proposed Ordinance 2017-003 to establish a formal bidding policy in December 2017, and it was adopted by the Board on December 3, 2018.

4.6 Disbursements - Supporting documentation

The city did not maintain adequate supporting documentation for some disbursements and employee compensation was not always approved for payment by the Board at its regular monthly meeting similar to other invoices. For example, payments totaling $2,736 to the City Treasurer for

mileage reimbursements between January 1, 2015, and April 30, 2016, were not supported by reimbursement requests showing actual miles driven. During this period, the city regularly paid the City Treasurer $144 per month for 16 trips to the city's bank (30 miles round trip) at $0.30 per mile, regardless of the number of actual trips made in the month. In addition, the city made 3 extra payments for a total of 19 payments of $144 to the City Treasurer over these 16 months. The city also made 2 extra payments for a total of 14 payments of $150 per month to the City Treasurer for her compensation in 2015. The City Treasurer indicated that she had declined the $144 monthly mileage reimbursement, effective May 2016, because she realized she was being overpaid. Supporting documentation was not retained to explain these extra payments, nor were these issues discussed with the Board.

Recommendation

The Board of Aldermen require adequate, detailed supporting documentation be retained for all disbursements and approved. In addition, the Board should review for potential additional extra payments and seek reimbursement of all amounts overpaid as appropriate.

Status

Partially Implemented

The City Clerk/Treasurer indicated the Board is now requiring detailed supporting documentation be retained for all approved disbursements. In addition, the Board approved Ordinance 2017-002 in February 2018 establishing city employee compensation and requiring documentation showing actual mileage be presented to the Board for approval prior to paying mileage reimbursement. However, the Board did not review for potential additional extra payments or seek reimbursement of any amounts overpaid. The Mayor and City Clerk/Treasurer indicated they spoke with a Bates County Sheriff's detective in late December 2018 regarding possible reimbursement for amounts overpaid, but determined it would not be feasible to pursue further as the recovery costs would likely exceed the amounts overpaid. This discussion and any resulting Board decisions were not documented.

5. Ordinance and Sunshine Law Issues

City ordinances were not organized or complete. In addition, the city did not always comply with Chapter 610, RSMo (the Sunshine Law).

5.1 Ordinances

City ordinances were not codified, complete, and maintained in a well-organized manner. The city did not have ordinances establishing the compensation of city officials and employees, the additional $0.50 charged to county residents receiving city water service, and the $2.00 fire department service fee.

Recommendation

The Board of Aldermen ensure ordinances are maintained in a complete and well-organized manner and an index of all ordinances passed and rescinded

is established. The Board should also establish, by ordinance, city employees' compensation and fees for city services.

Status

Partially Implemented

The City Clerk/Treasurer has organized the ordinances by number, but an index of all ordinances passed and rescinded has not been prepared. In February 2018, the Board passed several ordinances, including Ordinance 2017-002 establishing city employee compensation and requirements for mileage reimbursement, Ordinance 2017-004 establishing fire department fees, Ordinance 2017-005 establishing a service fee for water provided to county residents, and Ordinance 2017-008 establishing a procedure for annual reviews each May of rates assessed for city services. In addition, the Board updated and/or passed several ordinances in August and December 2018.

5.2 Public access policy

The Board had not adopted a written policy regarding public access to city records as required by state law.

Recommendation

The Board of Aldermen develop a written public access policy.

Status

Not Implemented

At its December 2017 meeting, the Board proposed a new ordinance establishing a written public access policy. However, the Board made changes to the draft ordinance at its February 2018 meeting and additional discussion and finalization was tabled until a future meeting. The Board had not approved a written public access policy as of December 31, 2018.

5.3 Record requests

City personnel did not maintain adequate records of requests for records to show compliance with state law. While the city provided us the request letters and their response letters, a log of requests was not maintained to document other important information, such as the date a request was received, when records were provided, or important communications related to these requests.

Recommendation

The Board of Aldermen ensure requests for information are responded to timely and maintain a public request log to help ensure compliance with state law.

Status

Not Implemented

The City Clerk/Treasurer indicated she has not developed a public request log because the city has not had any record requests since her appointment in January 2018.

5.4 Agendas

The city did not give notice of regular monthly Board meetings or prepare a tentative agenda in compliance with the Sunshine Law.

Recommendation

The Board of Aldermen ensure meeting notices and agendas are given for all Board meetings.

Status

Implemented

The City Clerk/Treasurer indicated she has been preparing agendas since January 2018 and posting them between 24 and 72 hours in advance of the meeting. We observed meeting notices and agendas for the January through November 2018 Board meetings.

6. Budgets and Financial Reporting

Annual budgets were not prepared for city funds in accordance with state law and significant improvement was needed in financial reporting practices.

6.1 Budgets

The Board did not have adequate procedures to prepare or monitor budgets.

City budgets prepared for the year ended December 31, 2016, did not contain all required elements. The 2016 budget document presented total receipts and disbursements for the General Fund, Water Fund, Sewer Fund, Street Fund, and Fire Fund, but the receipts were not categorized by source nor were the disbursements categorized by function. The budget did not include a budget message, actual or budgeted amounts for the 2 preceding years, the actual beginning and estimated ending cash balance for any funds, or a budget summary. While current bank account balances were provided, budget-to-actual reports of financial activity were not presented to the Board at monthly meetings. There was no evidence the 2016 budget was approved by the Board.

Recommendation

The Board of Aldermen prepare annual budgets that contain all information required by state law and ensure the budget and financial condition are adequately monitored. In addition, the Board's approval of the budget should be documented in the Board minutes.

Status

Not Implemented

The Board did not prepare and approve a budget for 2018. The Board approved the 2019 budget on January 9, 2019, but it does not include all elements required by state law. The 2019 budget did not include a budget message, actual or budgeted amounts for the 2 preceding years, the actual beginning and estimated ending cash balance for any funds, or a budget summary.

6.2 Published financial statements

The city did not publish semiannual financial statements as required by state law.

Recommendation

The Board of Aldermen publish semiannual financial statements as required by state law.

Status

Not Implemented

The city has not published semiannual financial statements.

6.3 Filing of financial reports

City personnel had not filed annual financial reports with the State Auditor's Office as required by state law. Until 2017, the last annual financial report filed was for the year ending December 31, 2012, filed in February 2014. In July 2017, the city filed a financial report for the year ended December 31, 2016.

Recommendation

The Board of Aldermen file annual financial reports with the State Auditor's Office as required by state law.

Status

In Progress

The city filed its financial report for the year ended December 31, 2017, on July 9, 2018, after the June 30, 2018, filing deadline. City personnel indicated they plan to file financial reports timely going forward.

6.4 Audits

The city had not obtained annual audits of its sewer system as required by state law.

Recommendation

The Board of Aldermen obtain annual audits of the sewer system as required by state law.

Status

Not Implemented

The city has not obtained an annual audit of the sewer system as required by state law.

Office of Missouri State Auditor

Nicole Galloway, CPA

Monthly Report on Political Subdivision Filings January 2019

Report No. 2019-016
March 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
January 2019
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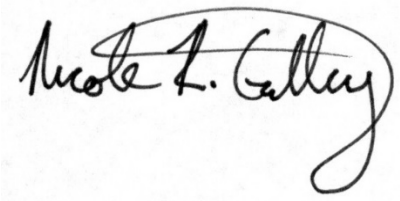
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 31 political subdivisions required to file a financial report by January 31, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in January 2019, after their filing deadline. The filing status for these 55 entities is presented in summary on page 3 and by individual entity in Appendix B-D.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 31 political subdivisions, other than cities, towns, and villages, with a fiscal year end of July 31, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 31 political subdivisions, 23 filed an annual financial report by January 31, 2019.

This report also includes the filing status for 55 political subdivisions, other than cities, towns, and villages, that filed their financial report in January 2019, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due January 31, 2019

Fiscal Year Ended July 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Benton	Ionia SRD Benton County	Yes	December 19, 2018
Carroll	Root Levee District	No	
	Sugartree Bottom Levee District	Yes	July 21, 2018
Lafayette	Alma FPD	No	
	Alma SRD Lafayette County	Yes	October 18, 2018
	Concordia SRD Lafayette County	Yes	October 18, 2018
	Corder SRD Lafayette County	Yes	October 18, 2018
	Dover SRD Lafayette County	Yes	October 18, 2018
	Higginsville SRD Lafayette County	Yes	October 18, 2018
	Lexington SRD Lafayette County	Yes	October 18, 2018
	Mayview SRD Lafayette County	Yes	October 18, 2018
	Odessa SRD Lafayette County	Yes	October 18, 2018
	Waverly SRD Lafayette County	Yes	October 18, 2018
	Wellington Napoleon SRD Lafayette	Yes	October 18, 2018
Lewis	La Grange SRD Lewis County	No	
Macon	Hudson SRD Macon County	Yes	September 4, 2018
	La Plata SRD Macon County	Yes	August 17, 2018
Monroe	Monroe City SRD Monroe County	Yes	December 19, 2018
Newton	Stella SRD Newton County	Yes	December 3, 2018
Osage	Chamois SRD Osage County	No	
	Linn City SRD Osage County	No	
	Westphalia SRD Osage County	Yes	January 25, 2019
Platte	PWSD 9 Platte County	Yes	January 14, 2019
Randolph	Moberly SRD Randolph County	Yes	July 30, 2018
Ray	Camden SRD Ray County	Yes	August 20, 2018
	Henrietta SRD Ray County	Yes	October 5, 2018
	Orrick SRD Ray County	Yes	December 3, 2018
	Richmond SRD Ray County	No	
Scott	Illmo SRD Scott County	No	
	Sikeston SRD Scott County	Yes	November 28, 2018
St. Francois	St. Francois County SRD 2	No	
Total Filed		23	
Total Not Filed		8	

Acronyms:

PWSD	Public Water Supply District
SRD	Special Road District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in January 2019

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Village of Grain Valley CID	Yes	January 30, 2019
St. Louis City	Hampton Berthold CID	Yes	January 29, 2019
Total Filed		2	

Acronyms:

CID	Community Improvement District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in January 2019

Fiscal Year Ended April 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	Metro North Crossing CID	Yes	January 29, 2019
Total Filed		1	

Acronyms:
CID Community Improvement District

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in January 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Benton Township & Rock Creek DD	Yes	January 22, 2019
	West Langdon Drainage District	Yes	January 22, 2019
Benton	Lincoln Community NHD	Yes	January 21, 2019
Buchanan	Rolling Hills Consolidated PLD	Yes	January 18, 2019
	St. Joseph Downtown CID	Yes	January 22, 2019
Camden	Camden County Ambulance District	Yes	January 29, 2019
Cape Girardeau	Town Plaza Crossing CID	Yes	January 10, 2019
Chariton	Chariton County Ambulance District	Yes	January 29, 2019
Clark	Clark County NHD	Yes	January 21, 2019
	Northeast Missouri Library District	Yes	January 17, 2019
Clay	Meadowbrook Village CID	Yes	January 28, 2019
	Williams Creek WSD	Yes	January 28, 2019
Dent	Salem Memorial Hospital District	Yes	January 18, 2019
	Salem Public Library District	Yes	January 23, 2019
Franklin	East Main & Highway 47 CID	Yes	January 21, 2019
Greene	Northwest Area CID	Yes	January 29, 2019
Harrison	East Fork of Big Creek Subdistrict	Yes	January 29, 2019
	Panther Creek Watershed Subdistrict	Yes	January 29, 2019
	West Fork of Big Creek Subdistrict	Yes	January 29, 2019
Henry	PWSD 4 Henry County	Yes	January 24, 2019
Holt	Forest City Levee District	Yes	January 31, 2019
Jackson	Downtown Lee's Summit CID	Yes	January 10, 2019
	I-470 & View High CID	Yes	January 18, 2019
Lafayette	Concordia FPD	Yes	January 22, 2019
Linn	East Yellow Creek WSD	Yes	January 23, 2019
Livingston	Green Township FPD	Yes	January 28, 2019
Macon	Macon County NHD	Yes	January 23, 2019
Marion	Hannibal Free Library District	Yes	January 4, 2019
Newton	Lost Creek Watershed Subdistrict	Yes	January 18, 2019
Pemiscot	Caruthersville Library District	Yes	January 18, 2019
Phelps	Rolla Free Public Library District	Yes	January 30, 2019
Pike	Pike County Memorial Hospital	Yes	January 18, 2019
Platte	Northmoor Associates CID	Yes	January 23, 2019
Platte	Riverside Gateway Crossing CID	Yes	January 28, 2019
Putnam	PWSD 1 Putnam County	Yes	January 24, 2019
Ripley	Fourche Creek Watershed Subdistrict	Yes	January 22, 2019
	Little Black Watershed Subdistrict	Yes	January 22, 2019
Shelby	Clarence NHD	Yes	January 25, 2019
	Shelbina Carnegie Library District	Yes	January 28, 2019
St. Louis	North County Festival/Square CID	Yes	January 10, 2019
	Olive Boulevard TDD	Yes	January 21, 2019
	Valley Park Community PLD	Yes	January 29, 2019
St. Louis City	Ballpark Village CID	Yes	January 16, 2019

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in January 2019

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
	Ballpark Village TDD	Yes	January 16, 2019
	Euclid South CID	Yes	January 18, 2019
	Grand Center Area CID	Yes	January 30, 2019
St. Louis City	Grove CID	Yes	January 18, 2019
Stoddard	PWSD 1 Stoddard County	Yes	January 22, 2019
Vernon	Nevada Public Library District	Yes	January 23, 2019
Webster	Webster County NHD	Yes	January 29, 2019
Worth	PWSD 1 Worth County	Yes	January 31, 2019
	Worth County Convalescent Center District	Yes	January 18, 2019
Total Filed		52	

Acronyms:

CID	Community Improvement District
DD	Drainage District
FPD	Fire Protection District
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
TDD	Transportation Development District
WSD	Watershed District

Office of Missouri State Auditor

Nicole Galloway, CPA

Monthly Report on Municipal Court and Revenue Filings January 2019

Report No. 2019-015
March 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
January 2019
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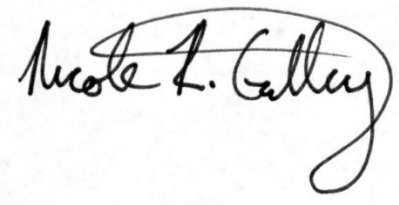
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by January 31, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180. No cities, towns, or villages had a fiscal year end of July 31, 2018; therefore, no financial reports, addendums, or certifications were due by January 31, 2019.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in January 2019, after their filing deadline. The filing status for these 49 cities, 2 towns, and 6 villages is presented in summary on pages 3 and by individual entity in Appendixes A to C.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

No cities, towns, or villages had a fiscal year end of July 31, 2018; therefore, no financial reports, addendums, or certifications were due by January 31, 2019.

This report includes the filing status for 49 cities, 2 towns, and 6 villages that filed at least one of the items (financial report, addendum, or certification) in January 2019, after their filing deadline. Of these entities, 46 filed an annual financial report, 16 filed an addendum, and 10 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in January 2019

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Greene	City of Walnut Grove	***	July 3, 2018	***	Yes
Total Filed		0		0	1

*** Filed after June 30, 2018, but before January 31, 2019.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2018
Filed in January 2019

Fiscal Year Ended May 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Pettis	City of La Monte	***	December 24, 2018	Yes	Yes
Total Filed		0		1	1

*** Filed after November 30, 2018, but before January 31, 2019.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in January 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Barry	City of Washburn	Yes	January 18, 2019	**	**
Buchanan	City of St. Joseph	Yes	January 23, 2019	No	No
Butler	City of Fisk	Yes	January 11, 2019	Yes	n/a
	City of Qulin	**	July 17, 2018	Yes	n/a
Camden	City of Linn Creek	Yes	January 22, 2019	No	n/a
Carroll	City of Bogard	**	December 27, 2018	Yes	n/a
	City of De Witt	Yes	January 25, 2019	No	n/a
Cass	City of Garden City	Yes	January 10, 2019	Yes	Yes
Clinton	City of Gower	Yes	January 18, 2019	**	**
Cole	City of Taos	Yes	January 31, 2019	No	n/a
Dallas	City of Urbana	Yes	January 2, 2019	**	**
	Village of Louisburg	Yes	January 22, 2019	n/a	n/a
DeKalb	City of Maysville	Yes	January 24, 2019	No	n/a
Dunklin	City of Holcomb	Yes	January 30, 2019	No	No
	City of Malden	Yes	January 29, 2019	**	**
Gasconade	City of Bland	**	November 23, 2018	Yes	Yes
Gentry	City of Albany	Yes	January 22, 2019	No	n/a
	City of King City	Yes	January 22, 2019	No	n/a
Greene	City of Fair Grove	**	September 21, 2018	Yes	**
Howell	City of Mountain View	No		Yes	Yes
Jackson	City of Greenwood	Yes	January 18, 2019	**	**
Jefferson	City of Byrnes Mill	Yes	January 28, 2019	**	No
Madison	Village of Cobalt City	Yes	January 31, 2019	n/a	n/a
Maries	City of Belle	Yes	January 18, 2019	**	n/a
Mercer	City of Mercer	Yes	January 18, 2019	No	n/a
Mississippi	City of Bertrand	Yes	January 7, 2019	No	n/a
	Village of Wilson City	Yes	January 30, 2019	n/a	n/a
Morgan	Town of Gravois Mills	Yes	January 29, 2019	n/a	n/a
New Madrid	City of Howardville	Yes	January 18, 2019	Yes	Yes
Newton	City of Granby	Yes	January 24, 2019	Yes	No
Pemiscot	City of Hayti	**	December 14, 2018	Yes	Yes
	Town of Cooter	Yes	January 22, 2019	No	No
Perry	City of Altenburg	Yes	January 20, 2019	n/a	n/a
Pike	City of Frankford	Yes	January 22, 2019	No	No
Platte	City of Houston Lake	Yes	January 20, 2019	Yes	n/a
	City of Northmoor	**	July 5, 2018	Yes	Yes
Pulaski	City of Richland	**	December 24, 2018	Yes	Yes
Putnam	Village of Lucerne	Yes	January 18, 2019	n/a	n/a
Ralls	City of New London	Yes	January 14, 2019	No	n/a
Randolph	City of Huntsville	Yes	January 2, 2019	No	n/a
	City of Moberly	Yes	January 29, 2019	No	n/a
Reynolds	City of Ellington	Yes	January 23, 2019	No	n/a

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018
Filed in January 2019

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Saline	City of Nelson	Yes	January 28, 2019	n/a	n/a
Scott	City of Sikeston	Yes	January 16, 2019	**	**
	Village of Lambert	Yes	January 22, 2019	n/a	n/a
St. Louis	City of Country Club Hills	Yes	January 22, 2019	No	**
	City of Maplewood	Yes	January 23, 2019	No	No
	City of Pine Lawn	Yes	January 2, 2019	Yes	Yes
	City of Warson Woods	Yes	January 22, 2019	**	**
Stoddard	City of Bloomfield	Yes	January 11, 2019	No	No
	City of Dexter	Yes	January 24, 2019	**	**
	City of Dudley	Yes	January 4, 2019	n/a	n/a
Stone	Village of Coney Island	Yes	January 9, 2019	n/a	n/a
Taney	City of Rockaway Beach	Yes	January 18, 2019	No	n/a
Webster	City of Rogersville	**	December 27, 2018	Yes	n/a
Total Filed		46		15	8

** Filed by December 31, 2018.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

NICOLE GALLOWAY, CPA
Missouri State Auditor

March 6, 2019

Honorable Mike Parson, Governor
and
Members of the General Assembly

The State Auditor's Office reviewed state agency compliance with Section 536.175, RSMo. We determined the Departments of Public Safety, Revenue, Social Services, and Corrections met the requirements of Section 536.175, RSMo. These requirements include each agency reviewing its existing rules, completing and filing the periodic rule review report with the Joint Committee on Administrative Rules (JCAR), and ensuring the report is available on the agency's website.

Section 536.175, RSMo, requires a 5 year rolling review by all state agencies of their existing rules. The first agencies (Title 1 through 6 of the Code of State Regulations [CSR]) were required to begin their rule review no later than July 1, 2015, and to complete it by June 30, 2016. The second group of agencies (Title 7 through 10 of the CSR) were required to begin their rule review no later than July 1, 2016, and to complete it by June 30, 2017. The third group of agencies (Title 11 through 14 of the CSR) were required to begin their rule review no later than July 1, 2017, and complete it by July 30, 2018. The next group began no later than July 1, 2018 and the following group will begin no later than July 1, 2019. Each agency must repeat this process every 5 years.

The JCAR publishes in the Missouri Register a notification of which rules are subject to review and the process for this review, including who the public may submit comments to at each agency. Each agency must prepare a report of the results of the agency's rule review with an attached appendix summarizing comments received and the agency's response. The agency must file the report and appendix electronically with the JCAR and the small business regulatory fairness board no later than June 30th after the JCAR publishes the notice. These reports also must be made available on the state agency's website.

Any rule not included in the agency review and report may become null and void. There is a process in place before nullification of a rule, including the ability of the agency to request an extension from the JCAR and a notice and opportunity for the agency to correct the delinquency.

On July 1, 2017, the JCAR published in the Missouri Register the notification of the agency rules (Title 11 through 14) subject to review and the process, as required by Section 536.175.2, RSMo. The following agencies began their rule review on July 1, 2017, and completed the review process by June 30, 2018:

Title 11 - Department of Public Safety
Title 12 - Department of Revenue, Lottery Commission and State Tax Commission
Title 13 - Department of Social Services
Title 14 - Department of Corrections

Based on a review of the JCAR's website, each agency timely completed and filed its periodic rule review report by June 30, 2018. These reports are available on that website. Each agency also posts its report on the agency's website.

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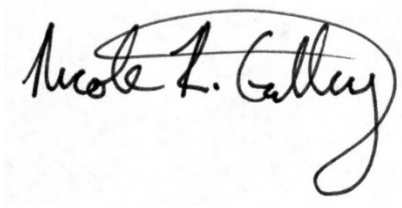
On December 7, 2018, my office sent a letter to each agency to confirm the information from this review. Each agency provided a response. The table below provides a summary of the information determined from this review.

Department	Number of Rules Reviewed	Number of Comments Received	Rule Report Filed with JCAR	Rule Report Available on Agency Website
Department of Public Safety	704	205	Yes	Yes
Department of Revenue	423	0	Yes	Yes
Lottery Commission	64	0	Yes	Yes
State Tax Commission	24	0	Yes	Yes
Department of Social Services	333	106	Yes	Yes
Department of Corrections	17	0	Yes	Yes

Based on this review, these agencies timely completed their rule review process and report as required under Section 536.175, RSMo; and, no further action is necessary.



Nicole R. Galloway, CPA
State Auditor

cc: Waylene Hiles, Director, Joint Committee on Administrative Rules
Sandy Karsten, Director, Department of Public Safety
Joel Walters, Director, Missouri Department of Revenue
May Scheve Reardon, Director, Missouri State Lottery
Bruce E. Davis, Chairman, State Tax Commission
Steve Corsi, Psy.D., Director, Department of Social Services
Anne L. Precythe, Director, Department of Corrections

Office of Missouri State Auditor

Nicole Galloway, CPA

Crawford County Collector and Property Tax System

Report No. 2019-013
March 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Crawford County Collector and Property Tax System

Property Tax System Controls and Procedures	Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Clerk did not prepare the land and personal or back (delinquent) tax aggregate abstracts timely. The County Clerk and the County Commission do not adequately review changes (e.g., additions and abatements) entered into the County Collector's property tax system and our review identified discrepancies with additions and abatements. The county has not adequately restricted access to the property tax system.
County Collector's Receipt Controls	The County Collector does not account for the numerical sequence of receipt slip numbers assigned by the property tax system.
Tax Maintenance Fund	Some disbursements from the county's Tax Maintenance Fund were not in compliance with uses allowed by state law and/or were not a prudent use of Tax Maintenance Fund monies. The County Collector did not provide all required budget information to the county budget officer for the Tax Maintenance Fund.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Crawford County Collector and Property Tax System
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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
County Collector
Crawford County, Missouri

We have audited the County Collector and Property Tax System of Crawford County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On March 15, 2018, a vacancy occurred in the office of the County Collector of Crawford County. A successor was appointed and sworn into office effective April 24, 2018. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2018, to March 15, 2018, and the year ended February 28, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant property tax functions.

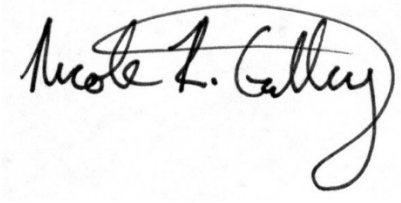
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) deficiencies in internal controls, and (2) noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the County Collector and Property Tax System of Crawford County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Matthew Schulenberg, CFE
Audit Staff:	Zach Andrews

1. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. Property taxes and other monies collected by the County Collector's office totaled approximately $15.8 million during the year ended February 28, 2018.

1.1 Review of activity

Neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission do not perform procedures to verify the accuracy and completeness of the County Collector's annual settlements. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector. Such procedures are intended to establish checks and balances related to the collection of property taxes.

1.2 Tax books

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The county's property tax system vendor prepares the current tax books based on assessed valuations and tax levies provided by the County Assessor and the County Clerk. The County Collector prepares the delinquent tax books by combining the uncollected taxes from the current tax year and uncollected taxes from all prior years. The County Clerk does not review the tax books, which should include verification of individual entries in the tax books and recalculating tax book totals and charges. Failure to prepare and/or review the tax books and test individual tax statement computations may result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

1.3 Aggregate abstracts

The County Clerk did not prepare the land and personal or back (delinquent) tax aggregate abstracts timely. The 2017 land and personal aggregate abstract was not prepared until June 13, 2018, although the information needed to prepare this aggregate abstract was available at the beginning of November 2017. The 2017 back tax aggregate abstract was not prepared until December 5, 2018, and the 2016 back tax aggregate abstract was not prepared. The information needed to prepare these back tax aggregate abstracts were available at the beginning of March 2017 and 2018.

Section 137.295, RSMo, requires the County Clerk to prepare these reports and forward them to the Department of Revenue and the State Tax Commission upon completion of current and delinquent tax books.

1.4 Additions and abatements

The County Clerk and the County Commission do not adequately review changes (e.g., additions and abatements) entered into the County Collector's property tax system and our review identified discrepancies with additions and abatements. The County Assessor initiates changes to the County Collector's property tax system records by importing individual tax record changes from the County Assessor's assessment system to the property tax system. However, the County Assessor's office does not provide documentation of these changes made in the assessment system to the County Collector's office so the County Collector's office can ensure these changes were imported correctly into the property tax system.

In addition, the County Commission does not review and approve actual changes made to property tax records in the property tax system. Instead, the County Assessor submits a monthly report of changes made to property tax records in the assessment system for the County Commission's review and approval. Neither the County Clerk nor the County Commission compare the monthly report of changes prepared by the assessment system to the actual changes made in the property tax system. As a result, changes to the amount of taxes the County Collector is charged with collecting are not properly monitored and errors or irregularities could go undetected.

Our review of monthly additions and abatements records from both the assessment system and the property tax system for the months of March 2017 and February 2018 identified discrepancies in assessed valuations between the two systems. For example, according to assessment system reports for February 2018, the County Assessor's office processed an addition for a vehicle not previously reported by the taxpayer, thus, increasing the assessed valuation for a taxpayer for tax years 2015, 2016, and 2017. However, the vehicle addition for the 2016 tax year did not get imported into the property tax system and 2016 property taxes were not assessed or collected on this vehicle.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual corrections made to the property tax system would help to ensure changes are proper.

1.5 Tax system access

The county has not adequately restricted access to the property tax system. The County Collector has access rights allowing her to enter additions and abatements into the system. In addition, the County Collector and her staff have access to void receipt transactions after they are completed. The property tax system does not provide a report of transactions deleted and documentation was not always maintained for voided transactions. As a result, there is an increased risk of unsupported or unauthorized changes being made to the property tax system after property taxes are approved for the year. Because the County Collector is responsible for collecting tax payments, good internal controls require the County Collector not have access rights allowing alteration or deletion of tax rates, assessed valuations, and property tax billing information.

To prevent unauthorized changes to the property tax records, as well as to reduce the risk of loss, theft, misuse, or errors occurring and going undetected, access should be limited based on user needs. Unrestricted access can result in the alteration of data files and programs. If transactions needed to be voided, documentation should be retained to support the voided transactions.

Similar conditions previously reported

A similar condition to section 1.1 was noted in our 3 prior county audit reports, a similar condition to section 1.2 was noted in our prior county audit report, and a similar condition to section 1.5 was noted in our 2 prior county audit reports.

Recommendations

1.1 The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

1.2 The County Clerk prepare the current and delinquent tax books, or at a minimum verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be documented.

1.3 The County Clerk prepare and timely file current and delinquent tax aggregate abstracts with the Department of Revenue and the State Tax Commission.

1.4 The County Clerk and the County Commission ensure changes made to the property tax system are supported by court orders approved by the County Commission and an independent reconciliation of additions and abatements between the County Assessor's system and the County Collector's property tax system is performed.

1.5 The County Collector work with the County Commission to ensure property tax system access is limited to only what is needed for users to perform their job duties and responsibilities.

Auditee's Response

The County Commission and County Clerk provided the following response:

The County Commission and the County Clerk recognize the issues presented by the State Auditor's report, and will give each issue the attention they deem necessary.

The County Collector and County Collector Elect (former County Collector) provided the following response:

1.5 We agree with the recommendation that access should be limited to any program in the property tax system that allows adjustments to taxpayer records. However, as long as the County Assessor's office and the County Collector's office utilize different systems, the County Collector's office will need access to the assessment module within the property tax system to ensure adjustments to real and/or personal property records initiated by the County Assessor's office have been updated and/or imported accurately into the property tax system. Additionally, in order for our office to provide the County Clerk with a monthly report of adjustments made in the property tax system, we must have access to the assessment module within the property tax system to run this report. The County Collector cannot limit the number of employees who can post changes made by the County Assessor's office and imported to the property tax system due to the limited number of employees in the office.

2. County Collector's Receipt Controls

The County Collector does not account for the numerical sequence of receipt slip numbers assigned by the property tax system. The 4 collection stations (cash drawers) share the same sequence of receipt slip numbers; therefore, receipt slip numbers are not in numerical sequence on each station's daily cash report. In addition, due to system limitations, a comprehensive report of all receipt slip numbers assigned cannot be printed. No one in the County Collector's office accounts for the numerical sequence of the receipt slip numbers. This control weakness allows for possible manipulation of receipt data.

To ensure all monies received are properly recorded and deposited, and to reduce the risk of loss, theft, or misuse of funds, the County Collector should ensure adequate controls are in place to properly account for the numerical sequence of receipt slip numbers assigned by the property tax system.

Recommendation

The County Collector implement procedures to account for the numerical sequence of receipt slip numbers.

Auditee's Response

The County Collector and County Collector Elect (former County Collector) have reached out to the property tax system programmer to determine the best way to implement this recommendation and the programmer has indicated a report will be created to assist us with implementation of this recommendation.

3. Tax Maintenance Fund

Controls over the management and use of the Tax Maintenance Fund (TMF) need improvement. By law, prior to January 1, 2018, the County Collector is required to collect a penalty of 7 percent of the total charged on delinquent taxes, and distribute two-sevenths of this penalty to the TMF to be used for additional administrative and operational costs related to the office of the County Collector. Effective January 1, 2018, this penalty was increased to 9 percent and two-ninths of this penalty is required to be distributed to the TMF. During the year end February 28, 2018, approximately $38,000 in penalties were deposited into the TMF and disbursements totaled approximately $32,400.

3.1 Disbursements

Some disbursements from the county's TMF were not in compliance with uses allowed by state law and/or were not a prudent use of TMF monies.

- Between October 2014 and October 2017, the former County Collector hired and paid her sister $1,345 as a contract employee to assist with preparing and mailing annual tax statements. Effective March 15, 2018, the former County Collector resigned from office as required by the Missouri Constitution after the nepotism concerns were raised and made public.

  Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office.

- In January 2018, the former County Collector paid $1,000 in legal fees to a law firm for an attorney to personally represent her in a Missouri Ethics Commission inquiry related to nepotism allegations. This disbursement was for personal reasons and not essential to the administration or operation of the County Collector's office or a prudent use of TMF monies.

Section 52.315, RSMo, requires expenditures from the TMF be for additional administration and operation costs of the County Collector's office. Because the legal fees listed above were primarily for the benefit of the County Collector, personally, and not related to costs or expenses incurred in the office of the County Collector, the disbursement would not be appropriate from the TMF.

3.2 Budget

The County Collector did not provide all required budget information to the county budget officer for the TMF. While estimates of receipts and disbursements for the upcoming fiscal year were submitted, other required information including beginning and projected ending cash balances or comparative statements of actual receipts and disbursements for the prior 2 years were not included.

To be of maximum assistance as a planning tool and to adequately inform the public, budgets should include all beginning available resources and actual receipts and disbursements of the prior 2 years. Section 50.590, RSMo, requires budgets to include detailed budget estimates, showing the recommendations of the budget officer compared with the figures for the last completed fiscal year and the estimates for the current fiscal year.

Recommendations

The County Collector:

3.1 Ensure all disbursements from the TMF are in compliance with legal provisions and are a prudent use of taxpayer funds. In addition, the former County Collector should reimbursed the TMF for the personal disbursement made.

3.2 Ensure all necessary budget information is prepared and provided to the county budget officer as required by state law.

Auditee's Response

The County Collector and County Collector Elect (former County Collector) provided the following responses:

3.1 The County Collector has always been and will always be prudent in making decisions with regards to the use of taxpayer funds.

In regards to the $1,000 in legal fees paid from the county's TMF for a law firm to represent the County Collector Elect in a Missouri Ethics Commission inquiry, it should be noted that legal fees incurred related to this representation totaled $2,480, of which the County Collector Elect personally paid $1,480 of this cost. As the attorney continued to work directly and/or indirectly with the County Counselor, the Missouri Ethics Commission, the Crawford County Commissioners, the Governor's Office, and the Crawford County Republican Central Committee as to the time period and the process

of a County Collector resigning from office, up to and including the completion of the County Collector's annual settlement, the remaining cost of $1,000 was paid from the TMF. These additional services provided by the attorney did not have any direct correlation to the personal representation of the County Collector Elect with regards to her guilt and resignation of the office, but to assure county residents the welfare of the office.

It should be noted all the County Collectors in the state pay yearly into the Missouri County Collectors Association Legal Fund should legal issues arise that may affect the integrity of the Collectors Association, and those payments are made by the County Collectors from their Tax Maintenance Fund.

Although the County Collector Elect does not agree with the statement that the $1,000 payment was for personal reasons, the County Collector Elect reimbursed the TMF $1,011.16 on January 16, 2019. This payment includes the base amount of $1,000 and 372 days of interest at one percent per annum of $11.16.

3.2 *The County Collector's office has always completed and submitted the budgetary form provided to them by the Budget Officer for Crawford County. The County Collector and County Collector Elect will ensure all necessary budget information required by state law is provided to the budget officer in the future.*

Crawford County Collector and Property Tax System
Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Pat Schwent served as County Collector until March 15, 2018. She was hired as a clerk for County Collector's office on March 16, 2018. Linda Hamilton was appointed the Crawford County Collector on April 9, 2018, and sworn into office on April 24, 2018. On November 6, 2018, Pat Schwent was elected Crawford County Collector and will take office effective March 1, 2019.

The former County Collector received compensation of $1,792 for the period March 1, 2018, to March 15, 2018. During the year ended February 28, 2018, the former County Collector received compensation of $43,000. Compensation was in accordance with statutory provisions.

Office of Missouri State Auditor

Nicole Galloway, CPA

Compilation of 2018 Criminal Activity Forfeiture Act Seizures

Report No. 2019-012
February 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Compilation of 2018 Criminal Activity Forfeiture Act Seizures

Background	State law requires prosecuting attorneys and the Attorney General to report seizures made under the Criminal Activity Forfeiture Act (CAFA) to the State Auditor and the Director of the Department of Public Safety.
CAFA Seizure Reports Submitted	The State Auditor's Office received 116 CAFA seizure reports from prosecuting attorneys and the Attorney General for property seized during the 2018 calendar year. State law states intentional or knowing failure to comply with reporting requirements shall constitute a class A misdemeanor.
Disposition of the Seizures Reported	The overall dollar value for property seized in 2018 was $9,102,717. Of that total, $571,892 was returned, $5,767,867 was transferred to a federal agency, and $100,915 was transferred to the state. The disposition for $2,067,837 was pending at the time of reporting, and no disposition was reported for $549,548. Dispositions reported by each prosecuting attorney and the Attorney General are included in a report appendix.
Reporting of Seizures Information	State law states prosecuting attorneys and the Attorney General are to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions.

Because of the nature of this compilation, no rating is provided.

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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

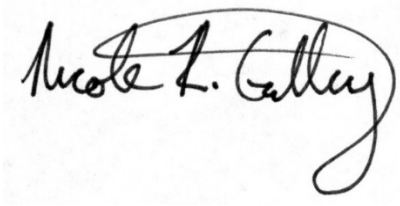
As required by Section 513.607, RSMo, we have compiled the 2018 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to the State Auditor by prosecuting attorneys and the Attorney General. The compilation is limited to information submitted to the State Auditor's Office. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them. The primary objectives of this compilation were to:

1. Compile the 2018 CAFA seizure information reported.

2. Identify officials who submitted 2018 CAFA seizure reports to the State Auditor.

Section 513.607, RSMo, requires prosecuting attorneys and the Attorney General to report CAFA seizures for the previous calendar year by January 31, to both the Director of the Department of Public Safety and the State Auditor. Of the 116 potential reporting officials, we received reports from each official.

Compliance with Section 513.653, RSMo, which requires law enforcement agencies involved in using the federal forfeiture system to submit reports regarding federal seizures and the proceeds therefrom to the State Auditor's Office, will be separately reported.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Kelly Davis, M.Acct., CPA, CFE
Senior Analyst: Jill Wilson, MBA

Compilation of 2018 Criminal Activity Forfeiture Act Seizures Executive Summary

CAFA Seizure Reports Submitted

The State Auditor received 116 of the total possible 116 CAFA seizure reports from prosecuting attorneys and the Attorney General for property seized during calendar year 2018.

Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirement shall be a class A misdemeanor punishable by a fine of up to $1,000.

Disposition of the Seizures Reported

We compiled the disposition of seizures as reported by prosecuting attorneys and the Attorney General for property seized during calendar year 2018. The following table lists the overall dollar value of the dispositions by category as reported to the State Auditor for 2018, 2017, and 2016.

Reported Disposition	2018		2017		2016	
Pending	$ 2,067,837	22.7 %	$ 2,542,029	36.0 %	$ 2,588,046	41.4 %
Returned	571,892	6.3	679,549	9.6	482,142	7.7
Transferred to Federal Agency	5,767,867	63.4	3,256,377	46.2	2,745,658	43.9
Transferred to State	100,915	1.1	180,363	2.6	97,067	1.6
Other	44,658	0.5	72,354	1.0	15,680	0.2
Disposition Not Reported	549,548	6.0	322,784	4.6	324,733	5.2
Total	$ 9,102,717	100.0 %	$ 7,053,456	100.0 %	$ 6,253,326	100.0 %

See Appendix I for the 2018 CAFA seizures disposition as reported by each prosecuting attorney and the Attorney General.

Reporting of Seizures Information

Section 513.607.8, RSMo, states prosecuting attorneys and the Attorney General are to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions. See Appendix II for the number of 2018 CAFA seizures reported with this information.

Appendix I
2018 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2018					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	Not Reported
Adair	$ 0						
Andrew	0						
Atchison	0						
Attorney General	0						
Audrain	7,217	3,964	1,505			1,748	
Barry	5,290	5,290					
Barton	0						
Bates	28,822	28,822					
Benton	0						
Bollinger	0						
Boone	55,496	55,496					
Buchanan	13,808	5,745			7,020	1,043	
Butler	35,062			35,062			
Caldwell	0						
Callaway	79,887	78,291	340			1,256	
Camden	24,142	24,142					
Cape Girardeau	12,022	5,200		6,822			
Carroll	2,596	2,016			580		
Carter	3,400	3,400					
Cass	5,028	5,028					
Cedar	0						
Chariton	0						
Christian	16,963	13,843					3,120
Clark	7,718	7,718					
Clay	20,789	14,129	3,879				2,781
Clinton	25,638			25,638			
Cole	28,540	16,162				12,378	
Cooper	118,843	114,099	4,071	673			
Crawford	20,197	20,197					
Dade	0						
Dallas	0						
Daviess	6,000	6,000					
DeKalb	0						
Dent	0						
Douglas	9,675	9,675					
Dunklin	0						
Franklin	57,357	49,558	7,798			1	
Gasconade	13,199	13,199					
Gentry	0						
Greene	346,166	325,620	11,470	9,076			
Grundy	10,730				6,000	4,730	
Harrison	0						
Henry	27,398	27,398					
Hickory	0						
Holt	0						
Howard	0						

Appendix I
2018 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2018					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	Not Reported
Howell	34,871	26,861		8,010			
Iron	0						
Jackson	147,872	143,850	4,022				
Jasper	57,226	41,702				15,524	
Jefferson	82,021	74,591	7,430				
Johnson	22,966	13,753	3,331		5,882		
Knox	0						
Laclede	37,844	35,249				2,595	
Lafayette	125,076	91,340			33,736		
Lawrence	0						
Lewis	0						
Lincoln	439,682	339,882	99,800				
Linn	5,288	5,288					
Livingston	0						
Macon	22,252	15,811	6,441				
Madison	0						
Maries	2,100	2,100					
Marion	99,488			75,433	24,055		
McDonald	8,401	8,401					
Mercer	0						
Miller	16,506	16,506					
Mississippi	0						
Moniteau	0						
Monroe	0						
Montgomery	17,810	17,810					
Morgan	0						
New Madrid	663,226	995	6,805	655,426			
Newton	15,168	14,307	350		511		
Nodaway	0						
Oregon	3,107	3,107					
Osage	15,000	15,000					
Ozark	0						
Pemiscot	0						
Perry	0						
Pettis	10,548	10,253			295		
Phelps	1,914,162			1,899,507			14,655
Pike	7,279	7,279					
Platte	41,968	36,553			5,415		
Polk	0						
Pulaski	6,180	6,180					
Putnam	0						
Ralls	27,456	15,983	9,100		2,373		
Randolph	7,231	3,476					3,755
Ray	7,900	7,900					
Reynolds	0						
Ripley	0						

Appendix I
2018 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2018					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	Not Reported
Saline	5,895	5,895					
Schuyler	0						
Scotland	0						
Scott	6,195			6,195			
Shannon	1,741	1,741					
Shelby	49,018			49,018			
St. Charles	3,023,827	14,461	118,194	2,890,190	982		
St. Clair	18,064	18,064					
St. Francois	27,409	26,983		426			
St. Louis City	490,843	159,778	147,288	28,234	12,255		143,288
St. Louis County	594,691		137,978	69,897		5,383	381,433
Ste. Genevieve	0						
Stoddard	8,260			8,260			
Stone	1,709	1,709					
Sullivan	0						
Taney	22,631	20,541	2,090				
Texas	1,903				1,387		516
Vernon	14,768	14,768					
Warren	4,952	4,952					
Washington	1,520	1,520					
Wayne	0						
Webster	8,256	8,256					
Worth	0						
Wright	424				424		
	$ 9,102,717	2,067,837	571,892	5,767,867	100,915	44,658	549,548

This appendix compiles only the data and dispositions pertaining to 2018 CAFA seizures reported to the State Auditor by prosecuting attorneys and the Attorney General. We did not verify this data. Information regarding seizures in previous years is not reflected in this compilation.

Appendix II

2018 CAFA Seizures Information Reported

			Reporting of Seizures Information								
	Number of	Estimated Value of					Estimated Value of	Person(s) Property	Criminal	Disposition	
Reporting Entity	Seizures Reported	Seizures Reported	Date	Time	Place Seized	Property Seized	Property Seized	Seized From	Charges Filed	Seizure	Criminal Actions
Adair	0	$ 0									
Andrew	0	0									
Atchison	0	0									
Attorney General	0	0									
Audrain	5	7,217	5	5	5	5	5	5	5	5	5
Barry	1	5,290	1	0	1	1	1	1	1	1	1
Barton	0	0									
Bates	3	28,822	3	1	3	3	3	3	2	3	2
Benton	0	0									
Bollinger	0	0									
Boone	10	55,496	10	0	10	10	10	10	10	10	10
Buchanan	7	13,808	7	7	7	7	7	7	7	7	5
Butler	5	35,062	5	0	5	5	5	5	1	5	1
Caldwell	0	0									
Callaway	11	79,887	11	10	11	11	11	11	7	11	7
Camden	4	24,142	4	4	4	4	4	4	4	4	1
Cape Girardeau	2	12,022	2	2	2	2	2	2	2	2	2
Carroll	2	2,596	2	0	2	2	2	2	2	2	2
Carter	1	3,400	1	1	1	1	1	1	1	1	1
Cass	4	5,028	4	4	4	4	4	4	2	4	2
Cedar	0	0									
Chariton	0	0									
Christian	10	16,963	10	10	10	10	10	10	6	8	6
Clark	2	7,718	2	2	2	2	2	2	2	2	2
Clay	9	20,789	9	8	9	9	9	9	1	8	1
Clinton	1	25,638	1	0	1	1	1	1	1	1	1
Cole	9	28,540	9	7	9	9	9	9	4	9	4
Cooper	12	118,843	12	12	12	12	11	12	12	12	12
Crawford	9	20,197	9	1	9	9	9 *	9	9	9	4
Dade	0	0									
Dallas	0	0									
Daviess	1	6,000	1	0	1	1	1	1	1	1	1
DeKalb	0	0									
Dent	0	0									
Douglas	1	9,675	1	1	1	1	1	1	1	1	1
Dunklin	0	0									
Franklin	16	57,357	16	14	16	16	16	16	3	16	3
Gasconade	1	13,199	1	0	1	1	1	1	1	1	1
Gentry	0	0									
Greene	55	346,166	55	55	55	55	55	55	5	55	5
Grundy	2	10,730	2	2	2	2	1	2	2	2	2
Harrison	0	0									
Henry	7	27,398	7	2	7	7	7	7	4	7	4
Hickory	0	0									
Holt	0	0									

Appendix II

2018 CAFA Seizures Information Reported

			Reporting of Seizures Information								
	Number of	Estimated Value of					Estimated Value of	Person(s) Property	Criminal	Disposition	
Reporting Entity	Seizures Reported	Seizures Reported	Date	Time	Place Seized	Property Seized	Property Seized	Seized From	Charges Filed	Seizure	Criminal Actions
Howard	0	0									
Howell	5	34,871	5	5	5	5	5	5	2	5	2
Iron	0	0									
Jackson	43	147,872	43	42	43	43	43	43	18	43	18
Jasper	7	57,226	7	0	7	7	7	7	6	7	6
Jefferson	21	82,021	20	21	21	21	21	21	5	21	5
Johnson	9	22,966	9	2	9	9	9	9	6	9	6
Knox	0	0									
Laclede	4	37,844	4	4	4	4	4	4	1	4	1
Lafayette	8	125,076	8	8	8	8	8	8	8	8	8
Lawrence	0	0									
Lewis	0	0									
Lincoln	4	439,682	4	4	4	4	4	4	2	4	2
Linn	2	5,288	2	2	2	2	2	2	2	2	2
Livingston	0	0									
Macon	6	22,252	6	6	6	6	6	6	5	6	5
Madison	0	0									
Maries	1	2,100	1	1	1	1	1	1	1	1	1
Marion	2	99,488	2	2	2	2	2	2	2	2	2
McDonald	4	8,401	4	0	4	4	4	4	4	4	4
Mercer	0	0									
Miller	3	16,506	3	1	2	3	3	3	3	3	3
Mississippi	0	0									
Moniteau	0	0									
Monroe	0	0									
Montgomery	5	17,810	5	0	5	5	5	5	5	5	5
Morgan	0	0									
New Madrid	6	663,226	6	0	6	6	6	6	6	6	6
Newton	10	15,168	10	0	10	10	10	10	10	10	10
Nodaway	0	0									
Oregon	5	3,107	5	5	5	5	5	5	0	5	0
Osage	1	15,000	1	1	1	1	1	1	1	1	1
Ozark	0	0									
Pemiscot	0	0									
Perry	0	0									
Pettis	9	10,548	9	9	9	9	9	9	9	9	9
Phelps	11	1,914,162	11	11	11	11	11	11	3	8	3
Pike	2	7,279	2	0	2	2	2	2	2	2	2
Platte	9	41,968	9	0	8	9	9	9	7	9	7
Polk	0	0									
Pulaski	1	6,180	1	1	1	1	1	1	1	1	1
Putnam	0	0									
Ralls	4	27,456	4	4	4	4	4	4	4	4	4
Randolph	6	7,231	6	0	6	6	6	6	5	3	4
Ray	2	7,900	2	0	2	0	2	2	2	2	2

Appendix II

2018 CAFA Seizures Information Reported

			Reporting of Seizures Information								
	Number of	Estimated Value of					Estimated Value of	Person(s) Property	Criminal	Disposition	
Reporting Entity	Seizures Reported	Seizures Reported	Date	Time	Place Seized	Property Seized	Property Seized	Seized From	Charges Filed	Seizure	Criminal Actions
Reynolds	0	0									
Ripley	0	0									
Saline	3	5,895	3	3	3	3	3	3	3	3	3
Schuyler	0	0									
Scotland	0	0									
Scott	3	6,195	3	2	3	3	3	3	0	3	0
Shannon	2	1741	2	2	2	2	2	2	0	2	0
Shelby	2	49,018	2	2	2	2	2	2	1	2	1
St. Charles	52	3,023,827	52	52	52	52	52	52	3	52	3
St. Clair	3	18,064	3	2	3	3	3	3	2	3	2
St. Francois	9	27,409	9	9	9	9	8	9	1	9	1
St. Louis City	92	490,843	92	76	92	92	92	92	33	71	32
St. Louis County	121	594,691	121	117	119	121	120 *	121	31	40 *	19
Ste. Genevieve	0	0									
Stoddard	1	8,260	1	0	0	1	1	1	0	1	0
Stone	1	1,709	1	1	1	1	1	1	1	1	1
Sullivan	0	0									
Taney	11	22,631	11	0	11	11	11	11	10	11	10
Texas	1	1,903	1	1	1	1	1	1	1	1 *	1
Vernon	5	14,768	5	5	5	5	5	5	5	5	5
Warren	2	4,952	2	2	2	2	2	2	2	2	2
Washington	3	1,520	3	3	3	3	3	3	1	3	1
Wayne	0	0									
Webster	6	8,256	6	6	6	6	6	6	6	6	6
Worth	0	0									
Wright	2	424	2	2	2	2	2	2	2	2	2
	699	$ 9,102,717	698	562	694	697	695	699	318	588	294

* Estimated values or dispositions were indicated for only a portion of the seizure(s).

This appendix compiles only the data and dispositions pertaining to 2018 CAFA seizures, the total estimated value of seizures reported, and the number of seizures categorized by the type of information reported for each prosecuting attorney and the Attorney General. Criminal Charges Filed and Criminal Actions were only counted if a criminal case was in existence for the seizure. We did not verify this data. Information regarding seizures in previous years is not reflected in this compilation.

Office of Missouri State Auditor

Nicole Galloway, CPA

Interstate 470 and 350 Transportation Development District

Report No. 2019-011
February 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Interstate 470 and 350 Transportation Development District

Financial Status

Our audit of the Interstate 470 and 350 Transportation Development District (TDD) indicates the financial condition of the district is such that it may be abolished. In April 2001, the qualified voters of the Interstate 470 and 350 TDD approved a 1-cent (1 percent) sales tax on all taxable transactions within the boundaries of the district. During 2001, the Interstate 470 and 350 TDD Board issued $14,755,000 of tax-exempt transportation sales tax revenue bonds. In October 2018, the TDD Board of Directors approved a resolution to repeal the sales tax at the earliest possible date and no later than December 31, 2018. The TDD was notified by the Missouri Department of Revenue that the sales tax would be repealed effective December 31, 2018. Full repayment of the TDD debt occurred in November 2018. Based on our audit, the cash balance of the Interstate 470 and 350 TDD at November 30, 2018 was $464,593. The TDD subsequently received sales tax collections in December 2018 and January 2019, increasing the cash balance to approximately $895,089 as of January 9, 2019. Based on our audit, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.

Due to the nature of this report, no rating will be given.

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Transportation Development District
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Melissa Goodson, Chairperson
and
Board of Directors
Interstate 470 and 350 Transportation Development District
Lee's Summit, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On October 10, 2018, the Board of Directors of the Interstate 470 and 350 Transportation Development District approved a resolution of its intent to dissolve the district and request an audit as required by statute. The State Auditor was subsequently notified of this resolution.

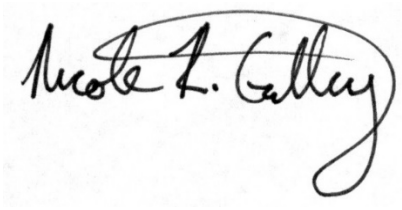
The district engaged Deborah Loomis, CPA, LLC to audit the district's financial statements for the years ended December 31, 2017 and 2016. To minimize duplication of effort, we reviewed the reports of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017, and the period from January 1 through November 30, 2018. The objectives of our audit were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit determined the district's Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our findings arising from our audit of the Interstate 470 and 350 Transportation Development District.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Alex Bruner, MBA, CFE

Financial Status

Our audit of the Interstate 470 and 350 Transportation Development District (TDD) indicates the financial condition of the district is such that it may be abolished.

The Interstate 470 and 350 TDD is located in the city of Lee's Summit. The district was organized in 2001 by petition of the property owners within the boundaries of the proposed TDD. The members of the Board of Directors are representatives of the property owner. The district has a fiscal year end of December 31 and obtained an independent audit for the year ended December 31, 2017.

In April 2001, the qualified voters of the Interstate 470 and 350 TDD approved a 1-cent (1 percent) sales tax on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution formally establishing the sales tax rate to be effective October 1, 2001, for 40 years unless terminated sooner. The retail establishments within the district collected and remitted the sales tax to the Missouri Department of Revenue (DOR). In turn, the DOR disbursed the sales tax monies to the district.

The Interstate 470 and 350 TDD was formed for the purpose of acquiring land, conducting site work, conducting work on Pryor and Chipman Roads, conducting work on U.S. 50 Highway ramps at Chipman Road, implementing improvements to Pryor Road south of Chipman Road, acquiring highway right-of-way, and constructing half diamond interchange ramps and an overpass at Interstate 470 and Pryor Road. The City of Lee's Summit and the Missouri Department of Transportation (MoDOT) are the public entities with jurisdiction over the project and serve as the Local Transportation Authorities. The project was completed in 2009 and MoDOT accepted dedication of the project in March 2009. City of Lee's Summit officials could not provide the exact date of when they accepted dedication; however, they confirmed it occurred prior to December 2018.

During 2001, the Interstate 470 and 350 TDD Board issued $14,755,000 of tax-exempt transportation sales tax revenue bonds (Series 2001). During 2007, the TDD issued $18,765,000 of tax-exempt transportation revenue bonds (Series 2007) to refund the Series 2001 bonds and to finance the completion of the I-470 and Pryor Road improvements. The Series 2001 bonds were refunded in 2008. All sales tax proceeds collected by the TDD were pledged to repay the bonds. Full repayment of the Series 2007 bonds occurred in November 2018.

In October 2018, the TDD Board of Directors approved a resolution to repeal the sales tax at the earliest possible date and no later than December 31, 2018. The TDD was notified by DOR that the sales tax would be repealed effective December 31, 2018. In October 2018, the TDD Board of Directors approved a resolution formalizing its intent to dissolve the TDD. The TDD's legal counsel advised the State Auditor's Office (SAO) of these resolutions and

requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo.

The SAO has performed an audit of the Interstate 470 and 350 TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine its financial status, and determine whether it may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against it; if its liabilities exceed its assets; or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the Interstate 470 and 350 TDD for the year ended December 31, 2017, and the period from January 1 through November 30, 2018.

	January 1, 2018 to November 30, 2018	Year Ended December 31, 2017
RECEIPTS		
Sales taxes and other revenues	$ 1,937,107	2,158,936
Total Receipts	1,937,107	2,158,936
DISBURSEMENTS		
Debt service: interest	141,312	229,655
Debt service: principal	4,135,000	1,715,000
Administration expenses	77,932	108,262
Total Disbursements	4,354,244	2,052,917
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,417,137)	106,019
BEGINNING CASH	2,881,730	2,775,711
ENDING CASH	$ 464,593	2,881,730

Based on our audit, the cash balance of the Interstate 470 and 350 TDD at November 30, 2018 was $464,593. The TDD subsequently received sales tax collections in December 2018 and January 2019, increasing the cash balance to approximately $895,089 as of January 9, 2019. The TDD's Attorney estimated future obligations for the district to close out are less than $59,000. Based on this representation, TDD assets will be sufficient to pay any remaining costs and obligations. The remaining balance will be distributed to the city of Lee's Summit and Missouri Highways and Transportation Commission (MHTC) in accordance with the TDD Act and in relative proportion to the TDD improvements within the jurisdiction of the city and MHTC, respectively.

Based on our audit, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.

Office of Missouri State Auditor

Nicole Galloway, CPA

Higher Education

Harris-Stowe State University

Report No. 2019-010
February 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Harris-Stowe State University

Board Oversight of University Resources and Budgets	Continuous oversight by the Board of Regents is needed to ensure the efficient use of university resources while facing declining state appropriations. The Board has not established fund balance benchmarks and/or minimums to ensure sufficient funding for university operations, although Board minutes indicate the Board discussed the need for a "rainy day fund." University budgets are not complete.
Student Account Balances	The university is not following established procedures for the monitoring, follow up, and collection of tuition and fees on student accounts. Significant improvement is needed in the monitoring and collection of student accounts. The university does not have written policies and procedures for the issuance, monitoring, and collection of emergency loans made to students.
Payroll and Personnel Procedures	Numerous problems existed with the university's payroll and personnel procedures. The university paid individuals that did not have payroll or personnel files to support their employment and other employment records were incomplete. Timesheets required for hourly employees were not prepared or maintained for some employees. The university only performs background checks that identify Missouri criminal records despite actively recruiting and hiring employees from other states.
Disbursements	The university does not ensure employees follow credit card and travel policies and procedures and allows employees to continue making significant credit card purchases without supporting documentation. Some university disbursements should be further evaluated to ensure they provide a benefit to the university.
Early Childhood Development Center	The university subsidizes the William L. Clay Early Childhood Development/Parenting Education Center (ECDC) due to the program's annual operating losses. In addition, the ECDC does not sufficiently monitor outstanding balances due, enforce current policies for payment of outstanding balances, or have an updated agreement with another university for use of its facilities leading to further potential losses.
Tuition Analysis	University officials have not conducted a recent formal analysis of the impact on enrollment due to potential tuition rate changes or charging students for all credit hours.
Sunshine Law	The university did not always comply with the Sunshine Law. The Board discussed several topics in closed meetings that are not allowable by state law. The Board generally uses the same statement for each meeting notice/agenda to indicate the potential for a closed meeting, instead of citing the specific section of the law as the reason for a closed meeting. The public record request log documenting Sunshine Law requests is not complete.
University Foundation	The university subsidizes certain operating expenses of the University Foundation. In addition, the university has no formal contract or agreement with the Foundation and the University President is overseeing the Foundation because a Foundation Board of Directors has not been established.

Accounting Controls and Procedures	Significant improvements are needed in the university's cash handling and accounting procedures. Receipts are not deposited timely and intact. Receipt slips are not issued for monies transmitted to the Bursar's office by the Athletic Department and the ECDC. Voided system transactions do not require supervisory approval, are not periodically reviewed by an independent person or supervisor, and are not adequately documented. The university has not established procedures to routinely follow up on outstanding payroll checks.
Capital Assets	The university does not always follow its policies and procedures for capital assets.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Harris-Stowe State University
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Board of Regents of Harris-Stowe State University
and
Dr. Dwaun J. Warmack, President
Harris-Stowe State University
St. Louis, Missouri

We have audited certain operations of Harris-Stowe State University, in fulfillment of our duties under Chapter 29, RSMo. In addition, the audit was performed at the request of the Harris-Stowe State University Board of Regents. The university engaged RubinBrown LLP, Certified Public Accountants (CPAs), to audit the university's financial statements for the year ended June 30, 2017, and June 30, 2016. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2016, since the year ended June 30, 2017, audit had not been completed at the time we started the audit. We subsequently reviewed the report of the CPA firm for the year ended June 30, 2017, upon its completion. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2017 and 2016. The objectives of our audit were to:

1. Evaluate the university's internal controls over significant management and financial functions.

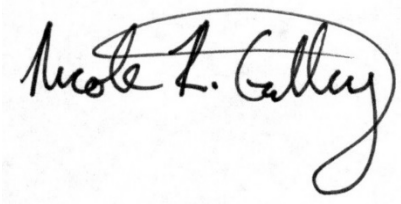
2. Evaluate the university's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the university, as well as certain external parties and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis. The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the university's management and was not subjected to the procedures applied in our audit of the university.

For the areas audited, we identified deficiencies in internal controls, noncompliance with legal provisions, and the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Harris-Stowe State University.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Kelly Davis, M.Acct., CPA, CFE
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Morgan Alexander
	Rachel Cline, M.S. Acct.
	Mariela A. Hernandez
	David Olson
	Wanda Rice, MBA

Harris-Stowe State University
Management Advisory Report
State Auditor's Findings

1. Board Oversight of University Resources and Budgets

Continuous oversight by the Board of Regents is needed to ensure the efficient use of university resources while facing declining state appropriations. Also, the Board did not budget for all funds or include necessary information in budget documents.

1.1 Oversight of university resources

The Board has not established fund balance benchmarks and/or minimums to ensure sufficient funding for university operations, although Board minutes indicate the Board discussed the need for a "rainy day fund." As noted throughout this report, the university did not adequately monitor and ensure outstanding amounts due were collected (see MAR finding number 2), made unsupported or non-essential disbursements (see MAR finding numbers 3 and 4), subsidized other non-higher education operations (see MAR findings numbers 5 and 8) , did not adequately safeguard university assets (see MAR finding number 10), and did not formally study the impact of potential tuition changes (see MAR finding number 6), while state appropriations were flat or decreasing. The university's fund and unrestricted cash balances have decreased since 2015, indicating the need to continue to consider fund and/or cash balance benchmarks.

The following table presents the actual and projected change in fund balance for the 5 years ended June 30, 2019:

	Fiscal Year Ended June 30,				
	2019 Budgeted	2018 Not Audited	2017 Actual	2016 Actual	2015 Actual
Beginning Fund Balance	$ 25.6	26.2	28.0	27.3	25.4
Operating Revenues	17.8	16.7	15.6	14.9	13.3
Non-operating Revenues	16.5	15.7	14.8	14.8	14.7
Total Funds Available	59.9	58.6	58.4	57.0	53.4
Less: Expenditures	34.0	33.0	32.2	29.0	26.1
Ending Fund Balance	$ 25.9	25.6	26.2	28.0	27.3
Fund Balance Increase/(Decrease)	$ 0.3	(0.6)	(1.8)	0.7	1.9

Source: 2015, 2016, and 2017 audited financial statements. Amounts for fiscal years 2018 and 2019 were provided by the university. Amounts presented are in millions of dollars.

The following table presents the unrestricted cash, cash equivalents, and other long-term investments balances for the 5 years ended June 30, 2018.

	June 30,				
	2018 Not Audited	2017 Actual	2016 Actual	2015 Actual	2014 Actual
Unrestricted Cash and Cash Equivalents	$ 3.7	5.6	6.2	6.9	5.0
Unrestricted Long-Term Investments	2.3	2.1	1.9	1.9	1.9
Total	$ 6.0	7.7	8.1	8.8	6.9

Source: Year ended June 30, 2015, 2016, and 2017 audited financial statements. Amounts for June 30, 2018, were provided by the university. Amounts presented are in millions of dollars.

The university's fiscal year 2017 audited financial statements show the university continues to be affected by lower or flat state appropriations, which represent the largest single portion of its revenue (30 percent in 2017). In fiscal years 2017 and 2018 the university sustained decreases in state core funding totaling approximately $1.1 million. State core funding reductions in 2017 ($153,000) and 2018 ($986,000) represented approximately 2 and 9 percent of the core funding, respectively. The reductions contributed to budgetary restrictions including a hiring freeze, no employee raises except for faculty, and delaying capital improvements. While the General Assembly approved a slightly higher appropriation for the fiscal year 2019 budget due to 2 additional specific appropriations of $750,000 each, the Governor reduced the additional amounts to $500,000 and $250,000, indicating the university may not be able to depend on further increases.

During these years of reduced or flat state appropriations, the university did not ensure students resolved outstanding balances prior to registering, declined to pursue further collection efforts for unsupported credit card transactions and made other non-essential purchases (see MAR finding numbers 2 and 4). The university also is subsidizing the Early Childhood and Development Center due to operating losses and the University Foundation (see MAR finding numbers 5 and 8). In addition, the university did not formally study the impact of tuition changes and not charging tuition for several credit hours (see MAR finding number 6).

The university's reliance on state appropriations for a large portion of its revenue when those appropriations are declining or flat, makes it essential the Board continuously oversee the use of university resources, safeguard assets, and consider other potential revenue sources if necessary to ensure the efficient use of resources and adequate operating fund balances.

1.2 Budget procedures

University budgets are not complete. The university only prepared annual budgets for 4 of its 20 funds for the fiscal years ended June 30, 2016, 2017, and 2018. Those funds include the General Revenue, Gillespie Residence Hall, Bosley Residence Hall and Dining Facility, and the Early Childhood Development Center Funds. University officials stated they only prepare budgets for operating funds. Also, the budget documents approved by the Board for the years ended June 30, 2016, 2017, and 2018 only included the prior year and current year budgeted revenues and expenditures. The budgets did not include the beginning and estimated ending available resources for each fund or comparative statements of actual or estimated actual revenues and expenditures for the 2 previous years. Because the budget preparation process begins before the completion of the prior fiscal year, having comparative information from the 2 previous years can provide valuable information.

Budgets present a complete financial plan for the ensuing budget year. A complete and well-planned budget can serve as a useful management tool by establishing specific revenue and cost expectations for each area. Beginning and ending available resources and comparative statements to prior years are necessary to ensure budgeted amounts are realistic based on past performance and the complete financial position of the budgeted funds is presented.

Recommendation

The Board of Regents:

1.1 Consider setting benchmarks or minimums for fund balances to ensure sufficient resources for university operation and continue to eliminate unnecessary spending and evaluate controls and management practices to ensure efficient use of university resources.

1.2 Ensure the budget documents prepared by the university include all planned financial activity of the university and essential budgetary information.

Auditee's Response

1.1 As a preliminary matter, it is worth pointing out that the Board initiated this state audit to gain insight and for the purpose of continuing assisting the university in becoming a premier institution of higher learning. In working with the State Auditor's Office, we were impressed with their thoroughness, dedication and professionalism. Although we do not see eye to eye with the State Auditor on several points — points that, as explained throughout our responses, we believed required further explanation and context — the university appreciates each of the recommendations and is eagerly taking steps to address the Auditor's concerns as needed. The university worked hard to efficiently use its resources while facing declining state appropriations and was able to meet all financial obligations while creating a surplus and without placing an extra burden on the students. We therefore disagree with the Auditor's comments and assessments. In response to the issue of fund balances, it should be noted that the university, over the last four years, has increased fund balances by $200,000. This increase was accomplished despite the state withholding of funds and state cuts to core funding totaling $3.2 million during the current and the last fiscal year. This surplus was realized without laying off employees, and without adversely affecting student outcomes or the student experience. No degree programs were discontinued, and no buildings were closed as a result of state funding reductions. The university's surplus has been accomplished through a 34% increase in enrollment, monitoring of spending and prudent purchase practices. Based on the recommendations of the State Auditor, the institution will set aspirational goals/benchmarks regarding fund balances going forward and continue to ensure sufficient resources for the

university's operations are available by continuing to monitor spending, and evaluating controls and management practices. In addition, the disbursement/procurement policy will be reviewed and enhanced. The university's responses to the Auditor's references made here to MAR findings 2, 3, 4, 5, 6, 8 and 10 are set forth below.

1.2 To provide further context, it should be noted the Board approves the university budgets that are related to unrestricted funds and auxiliary enterprises. This accounts for 80% of the institution's total expenses. The remaining expenditures are from restricted, reimbursable state and federal grants. Since these programs are paid through reimbursement, the expenses equal the revenue and no surplus or deficit results from these restricted funds. Annual budgets for each restricted account are completed annually and submitted to the granting agency for approval. A copy of that budget is also provided to the Business Office for post-award monitoring and management. Federal expenditures are subject to an annual audit that is conducted by an external auditor. Any findings from these audits are shared with the Board annually in an open session meeting. Although the university's operations are reviewed annually by its outside audit firm, RubinBrown LLP, Certified Public Accountants, and no issues have been raised regarding how budgets are prepared, as a result of the State Auditor's recommendations, the institution will include all activities in the budget documents presented to the Board of Regents at all future meetings, which occur every two months, and annually thereafter.

2. Student Account Balances

The university is not following established procedures for the monitoring, follow up, and collection of tuition and fees on student accounts. In addition, the university has not established policies and procedures for emergency loans made to students.

2.1 Student accounts

Significant improvement is needed in the monitoring and collection of student accounts. Balances owed by students over 90 days past due totaled approximately $1,567,000 and $1,304,000 for the fiscal years ending June 30, 2017 and June 30, 2016, respectively.

The university does not enforce its current policies and procedures regarding financial holds on registration and collections. As a result, the university allowed students to register for classes with significant outstanding balances.

University policy states that all fees are to be paid in full at the time of registration, and students with an unpaid balance will not be permitted to register for the following semester with an outstanding balance. Tuition and fees not paid prior to completing registration can be paid by obtaining financial aid, using third party payors, or initiating and executing an approved

payment plan with the university. In addition, the university's collection policy requires sending a reminder email if a student account is 60 days past due, sending a collection warning letter if an account is past due 30 days after semester end, and written communication for all collection efforts.

Our test of 30 student accounts noted the following issues.

- Of the 25 students tested with balances due, 16 were allowed to register for the next semester. Balances for these 16 students ranged from $25 to $14,951 with 9 having balances of more than $1,000. University personnel indicated the school has an informal policy to allow students residing on-campus to register if their balance due is $1,000 or less and students residing off-campus to register if their balance due is $500 or less.

- Five students with outstanding balances did not have payment plans or other documented financial aid sufficient to pay the outstanding balance as required.

- The Bursar could only provide delinquency letters sent to 5 of the 10 students with past due balances on payment plans. Also, no supervisory review is done of the follow-up work performed on the payment plans.

- The university did not maintain records or documentation of the email messages sent to 20 students indicating payment on their account balance was 60 days past due. A required collection letter for 19 of these students, whose outstanding balances totaled almost $156,000, was not mailed until 12 to 25 months after the students' last semester attended.

- The university did not send 2 of the student accounts to the third party collection agency as records indicated had occurred. The university sent a collection letter to one of the students.

Policies and procedures for student registration and collection of amounts due should be written and those procedures should be consistently followed. In addition, proper and timely monitoring of balances due is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for nonpayment, including sending accounts to collection agencies or using alternative collection efforts.

2.2 Student emergency loans

The university does not have written policies and procedures for the issuance, monitoring, and collection of emergency loans made to students. The university also does not advertise or otherwise publicize the service to allow all students the opportunity to use it. The university provides interest free, short-term emergency loans to students seeking financial assistance to pay personal bills or other purchases. Restricted donations are used for the loans,

which are approved by the Director of Financial Aid, Dean of Enrollment Management (EM), and the Chief Financial Officer (CFO). Loans range from $50 to $3,000. Written procedures could not be provided outlining eligibility guidelines, allowable needs and uses, or the process for approving these loans. The university made 180 emergency loans totaling approximately $117,000 between January 2016 and March 2018.

Also, the outstanding emergency loan balances were not always monitored or paid off with excess financial aid when allowable. The university procedure is to deduct the amount due from additional financial aid due to the student prior to disbursing financial aid to the student. A review of emergency loans issued, identified a remaining balance due for four loans, totaling $2,164, as of March 31, 2018. Two of the 4 loans have been outstanding for more than a year. According to accounting and financial aid personnel, the university has not established any procedures (such as sending statements to the students, placing holds on student accounts, or attempting other collection efforts) to collect past due accounts. Additionally, the university accounting system does not allow students to see the emergency loans as part of the their student account or to monitor the amount due. Ten students received additional emergency loans totaling $6,117 while already having outstanding emergency loans totaling $6,206. The students repaid all loans by March 2018.

A written policy is necessary to establish and document the emergency loan process including the eligibility guidelines, allowable amounts, approval, and repayment terms of the loan and to ensure all students are aware of the program. In addition, follow-up procedures are necessary to safeguard against possible loss or misuse of funds going undetected.

Recommendations

The Board of Regents:

2.1 Ensure policies and procedures to restrict registration, monitor, and collect student account balances are written and followed timely and consistently.

2.2 Develop formal written policies and procedures for the issuance, monitoring, and collection of student emergency loans.

Auditee's Response

2.1 We agree with the Auditor's comments and are continuing to address these concerns as we have done prior to receiving the Auditor's recommendation. Recognizing the need for improvement in monitoring student payment plans, the university adopted a new electronic tracking system, Cashnet, for payment plans in July of 2018. The university was in the testing stage of this new system prior to receiving the State Auditor's verbal recommendations in June 2018. The new Cashnet system was signed on August 28, 2017 and

fully implemented in July 2018. The university's Student Account Office will also review and update its policy and procedures regarding the monitoring and collection of student account balances. Further, the Student Account Office and Accounting Specialist will follow up monthly to ensure adherence to these policies and procedures. The university's Student Account Office will continue to monitor the collection of outstanding student balances. This is a symptom of low staffing due to reduced appropriations.

2.2 We disagree with the Auditor's comments and assessments that the university does not maintain policies and procedures for the issuance, monitoring, and collecting of these emergency student loans, although we acknowledge they were not maintained in a formal written format. The Emergency Refund Loan (ERL) fund has been in existence since the early to mid-1980s. A private donor provided the funds to the university for the specific purpose of assisting students with unforeseen financial difficulties. The program continues to be funded through the original donation 30 years ago and nearly all of the funds have been recovered.

A formal written policy and procedure for the issuance, monitoring, and collection of student emergency loans has been developed by the Director of Financial Assistance and will become effective during the Spring 2019 semester. The Dean of EM will be responsible for monitoring compliance with the written policy. Going forward, the university will advertise the ERL information to all students.

The ERL policy implemented for Spring 2019 is as follows:

The Office of Financial Assistance provides zero interest loans to students that are experiencing financial hardships and expecting a refund from their federal student aid. Loans are usually granted in amounts up to $800 for undergraduate students. Loans may be greater for extenuating circumstances (if approved by the Dean of EM and the Vice President (VP) of Business and Finance).

ERLs are available to students who are registered for the current semester and who demonstrate extreme and immediate financial need and will have a refund of at least 2 times the amount of their request. Students must (1) submit a written request for an ERL, (2) provide statements, bills, etc… displaying need or hardship, and (3) receive approval from Director of Financial Aid, Dean of EM, and VP of Business and Finance.

3. Payroll and Personnel Procedures

We noted numerous problems with the university's payroll and personnel procedures. The university had payroll expenditures of approximately $17.5 million and $15.4 million for the years ended June 30, 2017, and June 30, 2016.

3.1 Missing and incomplete personnel records

The university paid temporary employees who did not have payroll or personnel files to support their employment. In addition, employment records for other employees were not complete. We reviewed the employment records for 85 employees to ensure documentation was included to substantiate proper hiring, position, pay rate, and completion of all required forms. We initially reviewed personnel, payroll, and I-9 (Employment Eligibility Verification) form files for 25 university employees. Personnel files are to include applications and transcripts/certifications. Payroll files are to contain pay rates, federal and state W-4 forms, and background checks. I-9 forms are filed separately for each employee. Our review included looking for completed job applications, W-4 and I-9 forms, transcripts/certifications, and documentation of positions and pay rates. After we noted records missing for one employee paid by a manual payroll check, we expanded our work to include a review of employment records for 60 additional employees paid by at least one manual payroll check for years ended June 30, 2017, and June 30, 2016. This additional test included reviewing for completed job applications, I-9 forms, transcripts, and background checks.

Missing payroll records

Our review of the records for the 85 employees noted employment records could not be located for 3 employees (4 percent), limited information was available for a fourth employee reviewed, and one employee's files could not be located until months after originally requested. As a result, there is less assurance salary payments were appropriate for these employees.

University personnel indicated one of these employees was a summer intern and another was a graduate assistant. For one of the employees, the university provided a grant report listing him as a researcher as the only available documentation of employment. No email messages or other documentation were provided for the remaining 2 employees. The file for a fourth employee only included a payroll employment authorization form indicating this person was a temporary part-time instructor.

Incomplete records

Our review of various employment records for the 85 employees noted files were often missing one or more required documents. We identified the following problems.

- The approved pay rate for 3 of 25 employees was missing from their personnel files and another employee received a manual payroll check on the same date as an automated check with no supporting documentation. The CFO indicated the additional check was issued to correct an earlier

error, but he could not provide documentation to substantiate the circumstances.

- Federal and state W-4 forms were missing for 15 of the 25 employees and another employee's file was missing the state W-4 form. (University personnel indicated the forms may be in storage, but could not provide them.)

- I-9 forms were not on file for four employees and the forms were incomplete for another 12 of the 85 employees tested.

- Employment applications were missing for 3 of the 85 employees. One employee has been employed for more than 30 years and university officials indicated the application may be missing due to the age of the records.

- One employee's personnel file included another employee's information.

Conclusion

Without sufficient employee payroll and personnel records, the university has less assurance payments made to employees are appropriate. Complete employment records should be maintained for all employees to provide documentation of personnel actions. In addition, employment records should at a minimum contain documentation for hiring the employee, the employee's authorized pay rate, and any subsequent changes in pay rate. The Internal Revenue Service (IRS) requires employers to ensure a W-4 form is completed by each employee to support payroll tax withholdings. The Immigration Reform and Control Act of 1986 indicates an individual may not begin employment unless an I-9 form is completed.

3.2 Timesheets

Timesheets required for hourly employees were not prepared or maintained for 6 of the applicable 12 employee records tested. The missing timesheets included 5 student workers and 1 part-time employee. For the part-time employee, only an email noting hours per day was available. For 2 of the student workers, the university provided a listing of various student workers and total hours worked. This listing did not indicate specific dates or times worked and was not signed by a supervisor indicating the hours were approved. No information was provided for the other student workers.

Paying employees without proper documentation of time worked may lead to errors and the potential for employees to be over/under paid. In addition, the university should establish procedures to ensure required timesheets are approved and fully document dates and times worked.

3.3 Background checks

The university only performs background checks that identify Missouri criminal records despite actively recruiting and hiring employees from other states. As a result, background checks performed may not be sufficient to

safeguard the university. The proximity of the university to the Illinois border and the likelihood of employees from at least Illinois applying for employment indicates nationwide or other state background checks would be appropriate. In addition, our audit work noted the university has hired several employees from Florida and Georgia, further indicating the need to perform out-of-state background checks. University personnel could not explain why background checks are limited to Missouri. Also during our review we noted 3 of 60 employees tested had no documentation of a background check being performed.

Performing sufficient background checks on new employees reduces exposure to potential liabilities and helps safeguard university personnel, students, and assets.

Recommendations

The Board of Regents:

3.1 Ensure employment records are maintained and complete for all employees.

3.2 Ensure university employees complete required timesheets and timesheets are reviewed and approved by supervisors prior to processing payroll.

3.3 Ensure background checks are sufficient to safeguard university personnel, students, and assets.

Auditee's Response

3.1 The university maintains payroll and personnel files for all university employees and we therefore disagree with the Auditor's comments and assessments. This issue was limited to visiting students/interns who were working on their Master's degree. They were temporary employees paid a nominal stipend amount, typically $2,000 or less. All regular full-time and part-time employee files were intact. Further, the Employment Eligibility Verification Forms GS031 under Missouri Revised Statutes Chapter 109 (Public and Business Records) Section 255 states: "I-9 Forms - This form is not part of the Employee Personnel Record and should be filed separately." The university's Human Resources practices are in alignment with the state's statutes; we maintain our I-9s separate from payroll and personnel files. New procedures have been implemented to ensure W-4 forms for temporary part-time student workers are collected and maintained separately in accordance with the Missouri statutes.

3.2 We disagree with the Auditor's comments and assessments. We have located all timesheets for all employees referenced in the finding. In 2016, the university transitioned to an electronic timekeeping system. All full- and part-time employee's timesheets are electronic and are

approved by the employee's supervisor before being processed. A new employee's time is tracked with the old punch card system before being inputted into the payroll system. Student workers are paid hourly and time is summarized on a worksheet. The individual student worker's timesheets are reviewed and signed by the supervisors. All timesheets were signed and submitted as additional evidence to the auditors.

3.3 *We do not fully agree with the Auditor's comments and assessments. The university began its research for a Human Resources Information System in 2016 to enhance our capacity for background checks and other human resources requirements. Vendors were evaluated in late 2016 through mid-2017 and Automated Data Processing (ADP) was selected in 2017 to provide the university with a new Human Resources Information System that contained the capacity for nationwide background checks.*

During the years included in this audit, the university was following State of Missouri guidelines for background checks, which only requires that employers perform a background check for the state of Missouri. The university's implementation and transition to ADP began in April 2018 and as of December 5th, 2018, the university is conducting nationwide background checks for criminal, sexual offender, education, work history, and credit history based on the position for which an applicant applies. The background check is completed through the ADP system and the results of the check are sent to the Director of Human Resources.

Auditor's Comment

3.1 Complete employment records are necessary for all employees, including temporary employees, to ensure payroll and personnel actions are appropriate and documented. Contrary to the university's response, the audit noted incomplete employment records from full-time as well as temporary employees. Also, the temporary nature of the summer and graduate assistant employment increases the risk that employment transactions may be entered incorrectly or fraudulently and not detected, making it critical that these employees' files also be maintained and complete. No matter the filing methods, all required forms should be on file.

3.2 While the auditee's response indicates timesheets were provided, the information provided did not constitute a timesheet, did not include dates and times worked, and did not include any indication of approval.

4. Disbursements

Controls and procedures over disbursements need improvement.

4.1 Credit card purchases

The university does not ensure employees follow credit card and travel policies and procedures and allows employees to continue making significant credit card purchases without supporting documentation.

University policy and credit cardholder agreements limit credit card purchases to specific uses and require employees on travel status submit supporting documentation within 10 days and all other employees submit supporting documentation within 30 days. The cardholder agreement states failure to submit required documentation can result in the amount of unsupported charges being withheld from the employee's paycheck. University officials indicated additional controls were put in place to address issues including limiting card purchases to travel only. University officials indicated that if they allowed non-travel purchases by removing some of the card restrictions, the restrictions were added back the following day. Also, they indicated employees who continually did not submit documentation would have their credit limit reduced to $1.

Despite existing and additional controls, some employees did not submit required supporting documentation for credit card purchases and the university did not always withhold amounts from their paycheck or otherwise limit use of the university credit card. If an employee does not submit supporting documentation, the university pays the credit card bills without the supporting documentation, and tracks the amount of unsupported charges as a balance due from the employee. As a result, the university is paying charges without verification that purchases are appropriate uses of university funds. We noted the following concerns:

- Ten employees left employment without resolving disapproved or unsupported credit card charges totaling almost $75,000, including one employee who left with undocumented credit card charges totaling about $65,000. Due to the lack of documentation, the university could not ensure the charges were reasonable or appropriate and did not pursue further collection after the employee left the university. The university recategorized the $75,000 in unresolved charges for the year ended June 30, 2017 as a bad debt expense at the recommendation of its external auditor.

- As of April 2018, the balance of unsupported credit card charges by current university employees from 2017 and prior years totaled approximately $66,500. We contacted 20 current employees and requested they provide the supporting documentation. In May 2018, employees provided documentation to support $22,130 of the charges.

- All employees with unsupported charges dating prior to June 30, 2017 were able to use their credit card in calendar year 2018, indicating their credit limit was not reduced as required by newly implemented procedures.

Credit card compliance

Several credit card transactions were not compliant with existing policies. We reviewed 40 credit card transactions for the 2 years ending June 30, 2017 and noted purchases at local food and other non-travel related vendors. We reviewed the remaining expenditure data and noted credit card purchases totaling about $4,700 for fiscal year 2016 and $1,800 for fiscal year 2017 at the food vendors. We also identified non-travel related expenditures totaling about $11,600 for fiscal year 2016 and $26,500 for fiscal year 2017. These other charges included gift cards, local parking, flowers, clothing, fabric, and office supplies.

The university credit card policy does not allow for the purchase of hospitality or entertainment, gift cards, personal items, or purchases that by-pass existing procurement and payment procedures. Also, a review of calendar year 2018 credit card purchases noted usage at restaurants, online retailers, and department stores indicating additional usage restrictions may not have been put on credit cards in accordance with newly implemented procedures.

Conclusion

Adequate controls should be in place to properly monitor credit card transactions to ensure accuracy, necessity, reasonableness, and compliance with university policies. Controls, including procedures to address inappropriate usage, are not effective if not consistently and routinely utilized.

4.2 Disbursements needing further review

Some university disbursements should be further evaluated to ensure they provide a clear benefit to the university. We reviewed university disbursements for the 2 fiscal years ended June 30, 2017 and identified the following purchases.

- $15,327 for membership fees and benefits to 2 private clubs for the University President
- $1,250 for a corporate sponsorship of a golf tournament
- $1,537 for various purchases of cards and flowers

Public funds should be spent only on items necessary and beneficial to the university and that enhance the education process. Taxpayers have placed a fiduciary trust in their public officials to spend university resources in a prudent and necessary manner.

Recommendations

The Board of Regents:

4.1 Ensure all credit card transactions comply with university policy including enforcing existing procedures to limit inappropriate use and pursue collection for unsupported charges.

4.2 Ensure costs incurred by the university are necessary and a prudent use of taxpayer monies and enhance and benefit the education of the students.

Auditee's Response

4.1 We agree with the Auditor's comments and began to enact procedures to address these concerns prior to the Auditor's findings. All credit card transactions are monitored daily. Credit cards are canceled if the employee is not in compliance with policies. Further, credit card purchases are limited by not only the total credit available, but by merchant code, which limits where the card can be used and for how much at specific vendors. Payroll checks are garnished for noncompliance with expenditure policy. Final payroll checks are not distributed until all credit card transactions are fully documented. While the university has determined that identified expenditures were appropriate, the university has continued to seek further documentation.

4.2 We disagree with the Auditor's comments and assessments. The Director of Purchasing and the CFO monitor all of the institution's expenses to ensure that they are necessary, prudent and to the benefit of our students. The membership to two private clubs referenced within the audit report includes the Missouri Athletic Club and the St. Louis Club. Both are used to hold alumni events, solicit donors, and to host university events and programs. At one of those events held at the St. Louis Club, the university received our largest alumni donation of $150,000. The use of the off campus clubs has been a great return on our investment. The golf tournament referenced was a fundraising event for a Historically Black College and University scholarship fund and the cards and flowers referenced were sent to the families of students who passed away, and to faculty or staff who experienced a death in their immediate family.

5. Early Childhood Development Center

The university subsidizes the William L. Clay Early Childhood Development/Parenting Education Center (ECDC) due to the program's annual operating losses. In addition, the ECDC does not sufficiently monitor outstanding balances due, enforce current policies for payment of outstanding balances, or have an updated agreement with another university for use of its facilities leading to further potential losses.

The ECDC is a state-licensed on-campus facility that serves the university and community by providing child care and learning services for children of students, university faculty and staff, and members of the community. The ECDC offers programs for infants, toddlers, and pre-kindergarten (ages 3-5 years old). Child care fees vary based on the age group and whether the children are receiving state Child Care and Development Fund subsidies. Harris-Stowe faculty, staff, and students receive a 10 percent discount. This discount is also extended to faculty and staff of other local universities.

In July 2016, the center increased its capacity from 120 to 140 children per week and attendance averaged approximately 115 children per week for the year ended June 30, 2017. According to university officials, of the children enrolled, less than half were children or grandchildren of Harris-Stowe or other local university employees or current or past students. As of June 30, 2017, the ECDC had 12 full-time employees and 13 part-time employees.

5.1 Subsidization

The university routinely subsidizes the operating costs of the ECDC. Child care fees were not increased between fiscal years 2015 and 2017, current revenue levels include some temporary and non-child care revenues, and operating costs are increasing, indicating the potential for further losses. While the ECDC increased fees by 3 percent for fiscal year 2018, staff did not perform a cost study or analysis to determine the sufficiency of this increase or other fees charged to ensure financial stability. Financial statements prepared by the university CFO indicate the ECDC incurred cumulative losses of $98,000 for the 4 years ended June 30, 2017. During that period the ECDC generated revenues of $4.3 million and incurred expenses of $4.4 million. In addition, the CFO indicated the ECDC had a loss of approximately $90,000 for the year ended June 30, 2018.

ECDC revenues for the 4 years ended June 30, 2017 included approximately $191,000 in non-child care revenues ($128,000 in limited-time grants, $46,000 in rental income, and $17,000 in donations) that may not be sustainable. In addition, in 2017, the ECDC began a summer daycare program that generated approximately $12,000 in new revenues; however, operating costs associated with the summer program were not tracked to allow a comparison of revenues to expenses to determine the program's viability.

Operating the ECDC at a deficit requires other university funds to subsidize its operations and activities while the university faces additional financial pressures (see MAR finding number 1). A cost-benefit analysis evaluating ways to make the ECDC more self-sufficient and cost effective is necessary to ensure university and program resources are maximized while meeting the needs of the university and community. The analysis should include a review of the adequacy of fees currently charged, discounts and programs offered, and ECDC operating costs.

5.2 Unpaid balances

The ECDC does not restrict attendance for families with unpaid fee balances, as required by policy. In addition, the ECDC does not proactively follow up on unpaid balances and does not have written procedures for collections, payment plans, or write-off of past due amounts. Unpaid balances due to ECDC totaled approximately $149,400 as of June 30, 2016 and increased to $224,800 as of June 30, 2017.

The ECDC offers 3 payment timeframe options including monthly, semi-monthly, and weekly. Effective January 1, 2016, ECDC policy states "If fees are not paid by the end of the month or the end of the week (depending on the payment option selected), your child will not be accepted into the program until all fees are paid. If there are outstanding fees, child-care services may be terminated."

The ECDC does not have written policies or procedures to monitor or collect outstanding past due accounts. In addition, ECDC and university staff indicated to resolve delinquent accounts, they will set up payment plans or turn over outstanding balances to the Missouri Department of Revenue for tax refund interception or to collection agencies. These procedures are not reflected in policy. We reviewed 50 account balances for both active (children currently attending) and inactive (children no longer attending) accounts as of May 2018, and noted the following:

- For 28 of the 50 accounts reviewed, children were allowed to attend while their parents or guardians had an outstanding balance due, in violation of the ECDC payment policy. In addition, as of May 2018, 23 of the 28 accounts were inactive with an outstanding balance due totaling approximately $107,400. The other 5 accounts were active and had an outstanding balance of approximately $12,600. Balances ranged from $2,020 to $3,340.

- We noted 12 of the 28 accounts had no documentation of a past due notice sent and 25 of the 28 did not have a payment plan. In addition, none of the 23 inactive accounts had been sent to a collection agency or received any additional collection efforts.

Incomplete application data contributed to the lack of follow up on old outstanding accounts. Our review noted applications completed by parents registering children into the ECDC were not always complete. As a result, the center did not have sufficient information necessary to follow up on past due accounts or attempt other collection efforts. We noted 16 of 17 delinquent accounts from fiscal year 2014, totaling about $27,130, were not turned over to a collection agency or the Missouri Department of Revenue due to missing or incorrect information recorded on the application. These accounts were written off as uncollectible in June 2017.

Written procedures should be established and followed to ensure the consistency and propriety of the collection and write-off of balances due. In addition, proper and timely monitoring of unpaid accounts is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment. Also, complete and accurate information is necessary to ensure information is available for proper account follow up and prevent potential loss of revenues.

5.3 Memorandum of understanding

The university has not updated the fees charged through a memorandum of understanding (MOU) with the Washington University School of Medicine for use of the ECDC facilities for parent education classes since 2013. The original MOU included a $200 classroom fee and an additional hourly campus security fee. The MOU estimated the total costs would be $264 per session. The university continues to charge Washington University this $264 per session rate without consideration of current security or overhead costs. University officials indicated a discussion of increasing usage fees was proposed for the 2016-2017 MOU but an agreement could not be reached. Instead, the number of classes was limited. The ECDC received $23,245 in fiscal year 2017 and $22,865 in fiscal year 2016 for use of the facility.

Clear, detailed, and updated written agreements, are necessary to ensure that the university is receiving adequate compensation for facility usage and campus security provided.

Recommendations

The Board of Regents:

5.1 Review operations of the Early Childhood Development Center to determine how the program can be operated as a self-sustaining entity.

5.2 Ensure procedures to monitor and collect unpaid accounts are established, implemented, and performed consistently. In addition, the Board ensure applications are accurate and complete to allow for appropriate follow up.

5.3 Periodically revise fees charged to ensure the university receives adequate compensation for services provided.

Auditee's Response

5.1 We agree with the Auditor's comments and have initiated steps to address them, many were in process prior to the initiation of the audit. The Early Childhood Development Center has transitioned to a new leadership structure that includes a new Dean for the College of Education as well as a new Assistant Director of the Early Childhood Development Center. The leadership team that includes the Director of the Early Childhood Development Center has

developed an innovative strategic plan (2018-2020) to ensure that it becomes a self-sustaining entity.

The Director of the Clay Center is responsible for all administrative and operational activities associated with the Center. In addition, the Director serves as the leader for the planning, implementing, and monitoring of all activities related to curriculum and instruction and compliance with licensing regulations and accreditation. The Director monitors the Center's finances and in conjunction with the Accounting Department ensures that accounts are reconciled quarterly.

The Assistant Director is charged with assisting the Center Director in ensuring that the center is operating in accordance with university, National Association for the Education of Young Children, and state licensing standards. The Assistant Director assists with developing fundraisers to support the Center's programs and works to implement strategic marketing for the Center. The Assistant Director also manages the Child and Adult Care Food Program, maintains and updates records to meet deadlines, and assists with keeping projects on schedule.

The execution of the plan is the responsibility of the Center's leadership team. Based on various aspects of the plan, the Director and Assistant Director often work cooperatively to achieve stated goals. Weekly accountability meetings are held with the Dean of the College of Education to ensure that the plan is being implemented and to provide guidance as needed.

5.2 We agree with the Auditor's comments and have initiated steps to address them, many were in process prior to the completion of the audit. A review and update to the financial policies of the Early Childhood Development Center was implemented on July 1, 2018. These updates include removal of some discounts, streamlined payment due date to the 1st of each month, implementation of a new payment processing and tracking system (Procare), working with a collection agency to collect outstanding unpaid accounts, and regular reporting and analysis of the status of enrollment and center finances.

5.3 We agree with the Auditor's comments and have initiated steps to address them, many were in process prior to the initiation of the audit. The fee structure is reviewed annually by the leadership team of the Clay Center. This involves conversations with the Accounting Department and analysis of the Center's annual operating budget. Any changes to the fee structure are then determined near the end of

the fiscal year (May) in order to be implemented in the upcoming academic year. This occurred in May 2018, with new policies and fee structure changes implemented in July 2018. The process for changes in the fee structure or any changes in the Clay Center, include a written proposal submitted to the Dean for consideration. The proposal must provide evidence of the need for changes and how the changes will impact the Clay Center. The Dean then takes the proposal under consideration, typically after a conversation with the members of the leadership team and makes a decision to approve, deny or change the proposal request. At times, proposals may require additional input from university administration before a decision is made.

In addition, the Clay Center is reviewing other opportunities to increase the revenue for the center, including additional grant opportunities, extended hours, and providing childcare services for our students and the greater community when advantageous.

6. Tuition Analysis

University officials have not conducted a recent formal analysis of the impact on enrollment due to potential tuition rate changes or charging students for all credit hours.

University officials stated in an effort to attract and retain students, and provide an affordable university education, the university did not increase tuition rates for the 4 year period ended June 30, 2017. The university raised tuition by 2.5 percent for fiscal year 2018. In addition, the university bands tuition rates for credit hours 12 to 16 and as a result does not bill students for those credit hours. According to university officials, this policy allows students to take more credit hours without paying more tuition, increasing their ability to graduate on time.

While university officials stated the tuition rates and structure were set to retain students, the university has not conducted a recent formal analysis to determine what the impact on enrollment was or would be if changes occurred. University officials produce strategic plans and present budget and tuition information to the Board periodically. Also in the past, when facing state budget withholdings, university officials conducted town hall meetings to address concerns. However, these analyses do not include a study of the relationship of tuition changes to enrollment that would further help the Board make informed tuition decisions.

As noted throughout the report, the university incurred significant annual decreases in fiscal years 2017 and 2018 state core funding resulting in budgetary restrictions while also making unsupported or unnecessary disbursements, subsidizing non-higher education operations, not safeguarding university assets, and not ensuring outstanding amounts due

were collected. Given the university's reliance on state appropriations for revenue, the university may find it necessary to consider tuition rate changes like those in fiscal year 2018, even after addressing the management issues included in this report. Recent legislation allows the university to increase tuition to offset prior year state operating support[1] reductions. A formal analysis of the impact of changes in tuition rates or structure on enrollment would allow the university to make more informed decisions on the impact on university revenues.

The following table indicates university staff estimates of potential foregone revenues due to not increasing tuition rates and having banded credit hours.

	Fiscal Year Ended June 30,				
Estimated Reduced Revenue	2014	2015	2016	2017	Total
Unchanged Tuition Rate	$ 133,120	272,657	447,886	694,475	1,548,138
Banded Credit Hours	685,011	723,381	881,502	1,133,615	3,423,509
Total	$ 818,131	996,038	1,329,388	1,828,090	4,971,647

Source: Estimates prepared by the University's CFO based on an allowable tuition increase of 2.1 percent (the amount allowed for fiscal year 2017) and the same number of full-time students each year. Estimates of banded credit hour revenue based on the actual number of unbilled credit hours and the effective tuition rate for each year.

Tuition rate increases are capped by state law. Through fiscal year 2018, the limit on the potential increase was the higher of the percentage change of the federal consumer price index (CPI) multiplied by either the university's average tuition or the average tuition of all state universities and colleges. Effective August 2018, Section 173.1003, RSMo, was amended to permit universities to increase tuition. For universities with a lower than average tuition, this amendment allows them an increase of no more than the product of the percent change in CPI times the average tuition plus a percentage of no more than 5 percent that would produce revenue no greater than the amount the state support was reduced in the prior year. The university's tuition is below the state average. University officials stated several additional factors are used when establishing tuition rates including, but not limited to, reviewing enrollment and projected revenues, the level of planned employee raises, and new initiatives or planned construction projects.

Preparing and maintaining a formal cost study would allow the university to determine the impact of tuition decisions on university operations, including enrollment, and make better informed tuition rate decisions accordingly. Cost

[1] State operating support is defined as the funding actually disbursed from state operating appropriations and does not include appropriations or disbursement for special initiatives or specific program additions or expansions.

studies should include an evaluation of the current and future financial position of the university.

Recommendation

The Board of Regents ensure a formal cost study of the impact of changes in tuition rates and credit hours billed is performed to support future tuition plans. In addition, the university should periodically review the tuition plan to ensure it adequately reflects current conditions affecting the university.

Auditee's Response

We disagree with the Auditor's comments and assessments. The university's mission is to serve first generation college students from lower socio-economic backgrounds. An overwhelming 73 percent of our students are first generation college students. A vast majority, 76 percent, receive federal financial assistance in the form of a Pell grant. Unfortunately, the state has continued to cut our appropriations, but we find it difficult to place the financial burden solely on our students, who are mainly from low income families. The language used in this finding does not consider the special needs of our students.

The university has studied the outcomes of raising tuition and lifting the banded tuition caps currently in place. Each year, the university conducts a robust tuition analysis as a part of the university wide budget committee composed of representatives of all members of the university community. Each year, the CFO presents to the Board of Regents various scenarios that include raising tuition and fees and has identified other avenues to generate revenue.

Over the years included in the audit, the university has identified that raising tuition would adversely affect our students, 76 percent of whom are Pell eligible and for whom the majority have estimated family contributions of $0. Increasing tuition for the university's students would mean they would have to borrow more money in order to obtain a degree. This would adversely affect the retention and graduation rate of our students and potentially negatively influence our default rate. The university has to be mindful of these factors as it considers raising tuition.

The banded tuition for credit hours over 12 and less than 16 is purposeful. In summer 2016, the institution became involved in Complete College America's Fifteen to Finish program. The program encourages students to enroll in 15 credit hours each semester in order to remain on track to graduate in four years. Lifting the band will negatively affect students focused on this goal. Further, there is no guarantee that by lifting the band that the university will see any increase in revenue since students might elect to enroll in just 12 hours to maintain full-time status and to ensure that their college education remains affordable and within their means. Per the Auditor's recommendations, the university will continue to undertake a formal cost

study of the impact of changes in tuition hours and credit hours billed as it considers increases to tuition as needed.

Auditor's Comment

We acknowledge the university's mission and the unique needs of its students as well as the efforts to analyze tuition. However, as noted in the finding, the efforts do not constitute a formal tuition analysis. The formalization of the analysis is necessary to ensure the university is able to demonstrate the reason for tuition decisions and that those decisions support the university's mission and meet the needs of its students.

7. Sunshine Law

The university did not always comply with the Sunshine Law. We noted the following concerns during our review of university records:

- The Board discussed several topics in closed meetings that are not allowable by state law. Our review noted this problem occurred in 8 of the 15 closed meetings held from July 2015 through March 2018. For example, closed meetings minutes indicated unallowable topics discussed included the creation of a Foundation Board, building up the university's reserves, funeral services, and marketing of the university. The Board did not maintain sufficient documentation to demonstrate how these discussions would be allowable under the law.

- The Board generally uses the same statement for each meeting notice/agenda to indicate the potential for a closed meeting, instead of citing the specific section of the law as the reason for a closed meeting. The agendas also refer to closing the meeting under Section 610.25, RSMo, which does not exist. In addition, the vote of each member approving to enter into a closed meeting is not documented as required.

- The public record request log documenting Sunshine Law requests is not complete. The log does not include the date the request was processed or if any fees were charged.

Section 610.022, RSMo, mandates the discussion topics and actions in closed meetings must be limited to only those specifically allowed by law, requires the specific reasons for closing a meeting by citation to a specific section of the Sunshine Law be announced publicly at an open meeting, and requires documentation of the roll call votes to enter closed meetings in public minutes. To ensure compliance with Sunshine Law request requirements, the university should document adequate information in its request log to demonstrate requests are completed timely and sufficiently.

Recommendations

The Board of Regents ensure items discussed in closed meetings are allowable topics under state law and adequately documented as such. In addition, the Board should note the roll call votes to enter into closed meetings

and ensure the public request log is maintained and updated timely with all necessary information to ensure compliance with the Sunshine Law.

Auditee's Response

We do not fully agree with the Auditor's comments. Going forward only allowable topics will be discussed in closed session. The Board makes every attempt to fully comply with the Missouri Sunshine Law. However, there might have been limited instances where comments were made by Board members regarding matters that were outside the scope of the original, proper reason for closing the session. In response to the State Auditor's recommendations, the university will work diligently to fully comply with all aspects of the Missouri Sunshine Law, and will designate one member of the Board to monitor compliance. Going forward, the proper statutes will be cited for closed session and proper documentation kept of roll call votes. The Sunshine Law request log has been updated to reflect the date the request was processed and no fees were ever charged.

8. University Foundation

The university subsidizes certain operating expenses of the University Foundation. In addition, the university has no formal contract or agreement with the Foundation and the University President is overseeing the Foundation because a Foundation Board of Directors has not been established.

The Harris-Stowe State University Foundation, established in 1993, is a not-for-profit 501(c)(3) tax exempt public benefit corporation and is considered a blended component unit within the university's financial statements. Its mission is to help ensure the academic development, excellence, and success of students through financial and other forms of support, thereby enhancing the mission of Harris-Stowe State University. An independent Board of Directors has not been appointed to serve the Foundation.

8.1 Subsidy and written agreement

The university subsidizes a portion of the operating costs of the Foundation and has not entered into a formal agreement with the Foundation.

The university does not receive reimbursement from the Foundation for two university paid employees performing work as the Foundation's Executive Director and an assistant or the time spent by the University President on Foundation business. The Foundation employs no other staff and has no physical office space. University officials indicated these individuals do not track the time worked on Foundation business versus university activities. Therefore, it is unclear exactly how much of their time was related to Foundation activities and should have been reimbursed by the Foundation. The Executive Director of the Foundation estimated she and the assistant spend 50 hours per month working solely on Foundation business. We divided the time worked evenly between both the employees and estimated at least $20,000 of their combined salaries should be reimbursed to the

university annually. Also, the Foundation does not reimburse the university for any use of supplies or equipment.

The university has not entered into a written agreement with the Foundation to address the financial support provided, or a requirement to reimburse the university for the employee salaries and other expenses paid on behalf of the Foundation. A formal agreement that clearly indicates the benefit to the university for this arrangement is necessary to ensure the university and Foundation are aware of their duties and responsibilities and to prevent misunderstandings.

8.2 Foundation Board

The Foundation has no Board of Directors and as a result, the University President is overseeing the Foundation. The university's Board of Regents acted as the Foundation's Board until July 2015, when the University President and Executive Director of the Foundation assumed control of the Foundation's activities. The minutes of a closed session meeting held on July 1, 2015, indicate the University President informed the Board of Regents he was working on creating a Board of Directors for the Foundation. However, as of June 2018, a Board has not been established.

A Board of Directors is necessary to ensure Foundation operations receive proper oversight, are transparent, and distinct from university operations.

Recommendations

The Board of Regents:

8.1 Discontinue the practice of subsidizing operations and activities of the Foundation or enter into a written agreement with the Foundation that documents the duties and responsibilities of both parties.

8.2 Appoint a Board of Directors to oversee Foundation activities.

Auditee's Response

8.1 We agree with the Auditor's comments and have initiated steps to address them, many of which were in process prior to the initiation of the audit. The Foundation has less than $50,000 in unrestricted funds to reimburse the university for Foundation activities. A plan has been put in place to reinforce the agreement with the university and the reestablishment of the Foundation Board of Directors. Also, the Foundation helps to increase tuition revenue obtained by the university by awarding scholarships to our students.

8.2 We agree with the Auditor's comments and have initiated steps to address them, many of which were in process prior to the initiation of the audit. Appointment of a Foundation Board has been a priority of the university. The Board of Regents has not served in any capacity as it relates to this Foundation. Once in place, the Foundation Board of Directors will direct and monitor the Foundation activities. The

Foundation has set a deadline of June 30, 2019 to have a full Board of Directors appointed and operational.

9. Accounting Controls and Procedures

Significant improvements are needed in the university's cash handling and accounting procedures.

9.1 Depositing timely and intact

Receipts are not deposited timely and intact. Collections are often deposited several days or more after receipt, allowing a significant amount of cash and checks to accumulate. We reviewed deposits made in February 2017 and March 2018. Monies collected were receipted and deposits prepared daily; however, the deposits were held for several days or weeks prior to actual deposit. Collections totaling $34,222 (including $6,952 in cash) receipted in February 2017, were deposited from 3 to 46 days later. Although the timeliness of deposits made in March 2018 improved, our review noted collections totaling $279,224 (including $8,541 in cash and one check for $249,492) were held up to 12 days prior to deposit. In addition, monies were not always deposited intact. The Bursar's office indicated personal checks can be cashed up to $25. To reduce the risk of loss, theft, or misuse of funds all receipts should be deposited timely and intact.

9.2 Receipt slips

Receipt slips are not issued for monies transmitted to the Bursar's office by the Athletic Department and the ECDC.

To establish proper accountability over transmittals and reduce the risk of loss, theft, or misuse of funds, employees should issue receipt slips for monies received from other departments and programs or develop a process to better document transmittals made.

9.3 Voided transactions

Voided system transactions do not require supervisory approval, are not periodically reviewed by an independent person or supervisor, and are not adequately documented. All employees in the Bursar's office can void transactions and there are no supervisory reviews performed of voided transactions to ensure the entries are proper. In addition, voided transactions are not referenced to replacement transaction numbers when applicable. We reviewed 32 voided transactions, totaling approximately $122,000, and found no documentation explaining why the transactions were voided or indicating any supervisory review occurred.

To ensure all voided transactions are valid and to reduce the risk of loss, theft, or misuse of funds, proper documentation should be maintained and someone independent of the receipting and recording function should review and approve these transactions.

9.4 Outstanding checks

The university has not established procedures to routinely follow up on outstanding payroll checks. At June 30, 2017, the payroll bank account had 42 checks totaling $7,414 that had been outstanding for more than a year. As of June 2018, the university has not taken any action to reissue or resolve these checks.

Proper follow-up procedures are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise allowed by state law. Section 447.532, RSMo, states intangible personal property held for an owner by a state agency or department that remains unclaimed for more than 3 years is deemed abandoned and shall be turned over to the State Treasurer's Unclaimed Property Fund.

Recommendations

The Board of Regents:

9.1 Ensure monies are deposited timely and intact. In addition, the Board should discontinue the practice of cashing personal checks.

9.2 Ensure receipt slips are issued or transmittal records are signed to better document the transmittal of money between departments and establish custody of it.

9.3 Ensure adequate documentation is maintained to support all voided transactions and ensure an independent review and approval of these transactions is performed and documented.

9.4 Routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If the payee cannot be located the amount should be disbursed in accordance with state law.

Auditee's Response

9.1 We agree with the Auditor's comments and have initiated steps to address them, many of which were in process prior to the initiation of the audit. The university will ensure that monies are deposited daily or within the next working day. In July 2018, the university's Student Account Office adopted a new on-line payment function that manages all check and credit card transactions in a real time environment. The university was in the testing stage of this new system prior to the findings being communicated in June 2018. The university will discontinue the practice of cashing personal checks at the end of the 2018 calendar year.

9.2 We agree with the Auditor's comments and have initiated steps to address them, many of which were in process prior to the initiation of the audit. The Early Childhood Center no longer accepts checks

or cash as payments, therefore no money will be transferred from the ECDC to the Student Account Office. All payments are now processed through Procare. Receipt slips are now issued to the athletic department for concession sales. The new Cashnet system agreement was signed on August 28, 2017 and fully implemented in July 2018.

9.3 We agree with the Auditor's comments and have initiated steps to address them, many of which were in process prior to the initiation of the audit. All voided transactions are reviewed and approved by an independent party. All approvals will be documented.

9.4 In July 2018, all outstanding checks were voided and reissued. The university was in the process of voiding and reissuing old outstanding checks prior to the State Auditor's findings being communicated in June 2018. All payroll checks will be investigated and other outstanding checks will be reviewed periodically.

10. Capital Assets

The university does not always follow its policies and procedures for capital assets. As a result, assets are more susceptible to theft or misuse. Per the university asset listing, the university had assets totaling approximately $84.3 million including capital assets and buildings at June 30, 2017.

University officials do not maintain a complete record of all capital assets owned by the university. In addition, the CFO indicated an annual physical inventory of university capital assets is not performed. In 2017, the university completed an inventory of only capital assets purchased with approximately $1 million of federal grant funding. Prior to 2017, the most recent inventory of capital assets occurred in 2013.

During our test work, 7 out of 10 capital assets in various locations could not be traced to capital asset records. For example, a desktop computer, microfilm scanner, and memory writer located in the library could not be traced to capital asset records.

Adequate capital asset records are necessary to better secure university property and provide a basis for determining proper insurance coverage. Board inventory management policy 5410 requires a physical count of all stock supply and equipment items at least once each year.

Recommendation

The Board of Regents ensure complete and detailed capital asset records are maintained and annual physical inventories are periodically performed and compared to the detailed records.

Auditee's Response

We agree with the Auditor's comments and have initiated steps to address them, many of which were in process prior to the initiation of the audit. A

complete annual physical inventory will be performed and compared to the detailed records. The university currently utilizes an automated inventory-management system for its networked computing assets. The system is known as a K1000 Management Appliance. This device exists in a secured, climate-controlled location in the main administration building. The system is monitored by the Assistant Vice President for IT Services and his staff. Networked assets (e.g. connected CPUs) automatically report into central IT's K1000 unless physically or logically removed. The university, however, recognizes that some technology assets exist outside the network channels and must be inventoried in a more manual way.

The VP for Business and Financial Affairs, the VP for IT Services, and the Director of Facilities Management will develop a formal protocol for identifying assets requiring an annual inventory. This protocol will be in place by July 1, 2019. Assistant directors in each area will be trained on the protocol and the inventory-management system in order to complete annual inventories no later than August 1 of each subsequent year.

As of January 2, 2019, oversight of library technology will be transferred from the Director of Library Services (in the Division of Academic Affairs) to the Division of IT Services. By March 15, 2019, all existing technology will be inventoried by central IT Services personnel under the supervision of the Assistant Vice President of IT Services. Inventory data will be presented in an Excel spreadsheet, reviewed by the Vice President of IT Services, and approved by the Vice President for Business and Finance. The March 15, 2019 inventory will serve as a basis for future, annual audits of library technology assets. As a matter of ongoing practice, inventory discrepancies will be formally documented in the IT Services division and reported to the Division of Business and Finance on an annual basis and no later than March of the given year.

Harris-Stowe State University
Organization and Statistical Information

Harris-Stowe State University, located in St. Louis, Missouri, was formed in 1954, when Harris (founded in 1857) and Stowe (founded in 1890) Teachers Colleges merged. The institution joined the state system of public higher education in 1978 and changed its name to Harris-Stowe State University in 2005.

In the fall of 2017, the university's student full-time enrollment totaled 1,253. The school employed approximately 231 full-time and 465 part-time employees as of June 30, 2017.

The university is governed by a six-member Board of Regents, appointed by the Governor, with the advice and consent of the Missouri Senate. The Board members serve 6-year terms. These individuals serve without compensation; however, they receive reimbursement for any expenses incurred in performing their duties. The Board functions as the legislative and policy-making body of the university. The Board is responsible for defining the purpose of the university, developing and adopting the mission statement, appointing the president of the university, and approving all personnel and financial dealings.

Board of Regents

Name	Term Ends
Ronald A. Norwood, Chairman	July 2020
Vanessa F. Cooksey, Vice Chair Member	July 2020
Reginald D. Dickson, Board Member (1)	July 2016
Christine A. Chadwick, Board Member (1)	July 2016
Debra A. Hollingsworth, Board Member (1)	July 2014
Deborah Price, Board Member	July 2020

(1) Terms have expired; however, the member continues to serve on a voluntary basis until a new appointment is made.

Executive Officers

The Board of Regents appoints a President to serve as the university's Chief Executive Officer. The President appoints four Vice Presidents to oversee various aspects of the university. The following schedule lists the annual compensation reported for these officials:

Name	Position	Compensation
Dr. Dwaun J. Warmack	President (1)	$ 237,786
Dr. Dwyane Smith	Provost & Vice President of Academic Affairs	133,000
Brian M. Huggins	Vice President - Financial and Administration and CFO	95,000
James D. Fogt	Vice President - Information Technology	95,107

(1) Includes $40,000 housing allowance and an $18,000 annuity.

An organization chart follows:

HARRIS-STOWE STATE UNIVERSITY
ORGANIZATIONAL CHART
FY 2017
Version: July 2017

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The Office of the President
Harris-Stowe State University
3026 Laclede Ave.
St. Louis, MO 63144

Board of Regents

Director of Internal Affairs

Exec. Asst.

President

Chief of Staff (vacant)

Dean of Student Success
- Student Engagement
- Health Services
- Counseling Services
- Student Government Association
- Bookstore
- Dining Services

Asst. Dean of Student Success
- Residence Life
- Student Conduct

Director of Athletics

Intercollegiate
- Baseball
- Soccer
- Basketball
- Volleyball
- Softball
- Intramurals
- Cheerleading

Vice President of Information Technology
- Information Technology
- Student Information Systems
- IT Infrastructure Services
- Help Desk
- Strategic Planning
- Assessment & Institutional Research
- Media Production Services
- Business Intelligence

Dean of Enrollment Management
- Admissions
- Financial Assistance
- Registrar

Provost and Vice President of Academic Affairs
- College of Arts & Sciences
- College of Education
- School of Business
- Online Education
- Academic Standards
- Insitutional Research
- NEA Union
- MoLSAMP Grant

Director of Human Resources
- Human Resource Management & Employee Development
- Title IX

Executive Director for Institutional Advancement
- Alumni Affairs
- Events
- Harris-Stowe Foundation
- Development & Advancement

Vice President & CFO
- Accounting Services
- Bursar Services
- Debt Services, Grants & Auxiliary
- Operations Services
- Campus Planning and Expansion
- Grants & Sponsored Programs
- Facilities Management
- Public Safety
- Business Services

Vice President of Grants and Sponsored Programs
- Talent Search
- Campus Planning and Expansion
- Grants & Sponsored Programs

Executive Director of Communications

Social Media Intern

Assistant Provost
- Academic Resource Center
- Student Support Services
- Office of Student Retention & International Programs
- First Year Programs
- Accreditation
- Schedules & Bulletins
- Graduate Programs
- Pofessional Education/Continuing Education

Associate Provost
- Library
- Institute for Math & Science
- Academic Success Center
- Career Engagement
- Student Appeals
- Alpha Chi and Academic Honors Programs
- Academic Calendar
- Faculty Research & Development
- University Institutes
- Rites of Passage
- Instutional Research Board

Appendix A

Harris-Stowe State University
Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30,	
	2017	2016
OPERATING REVENUES		
Tuition and fees (net scholarship allowances)	$ 4,826,354	$ 4,572,854
Governmental grants and contracts	4,611,583	5,024,615
Nongovernmental grants	42,474	4,900
Auxiliary enterprises (net scholarship allowances)	5,336,012	4,351,922
Other operating revenues	834,952	860,136
Total Operating Revenues	15,651,375	14,814,427
OPERATING EXPENSES		
Salaries and wages	12,555,856	11,860,765
Fringe benefits	5,007,756	3,483,584
Supplies and other services	8,816,262	8,097,120
Utilities	1,167,145	1,282,324
Scholarships and awards	2,757,016	2,351,279
Depreciation and amortization	1,896,031	1,916,417
Total Operating Expenses	32,200,066	28,991,489
OPERATING INCOME (LOSS)	(16,548,691)	(14,177,062)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	9,485,264	10,009,807
Governmental grants and contracts	5,693,535	5,524,683
Gifts	719,906	731,378
Investment income	298,052	35,772
Interest on capital related debt	(1,426,100)	(1,470,343)
Total Non-Operating Revenues (Expenses)	14,770,657	14,831,297
CHANGE IN NET POSITION	(1,778,034)	654,235
NET POSITION, BEGINNING OF YEAR	28,029,516	27,375,281
NET POSITION, END OF YEAR	$ 26,251,482	$ 28,029,516

Source: Harris-Stowe State University audited financial statements. The foundation financial statements are included.

Harris-Stowe State University's governing Board of Regents and administration would like to thank the Office of Missouri State Auditor for the thorough efforts put forth to conduct an audit of the University's financial statements, policies, guidelines and procedures between November of 2017 and June of 2018.

With a legislated mission to serve the unmet higher educational needs of the greater St. Louis region, Harris-Stowe State University serves a large population of minority, first-generation, low income college students. With year after year increases in student enrollment, performance and graduation rates, we believe that the University is continuing to improve the lives and outcomes for many minorities and other disadvantaged individuals who might otherwise be unable to complete college at other institutions of higher learning. The University decision makers are committed to our mission to provide a quality education and college attainment for under-represented populations while working to ensure HSSU has adequate resources to achieve that mission. We are also committed to ensuring HSSU has sound, ethical, and legal governance and financial management policies to strengthen the fiscal health and wellbeing of the University as a whole.

As a state institution, the decisions of the University's Board of Regents and administration are also shaped by agreements and expectations of the Missouri Department of Higher Education, the Council on Public Higher Education (COPHE), the Missouri Governor's office, General Assembly, federal-level oversight entities, and our accrediting bodies (most notably The Higher Learning Commission). For example, fiscal decisions such as raising tuition tend to occur within a larger context in which the General Assembly, MDHE, and COPHE collectively act to determine an appropriate amount for all state institutions to increase tuition. In exchange, legislative bodies are better able to shoulder some of the student cost through increases in core appropriations (or by minimizing funding cuts). If the University acted independently to raise tuition higher than the amount recommended by these agreements to the maximum amount allowed by statute, it would destabilize these agreements. Maintaining large fund balances also creates challenges for these agreements, as the University must balance its need to invest in infrastructure and ensure its obligations to its constituents on a very limited and somewhat unpredictable budget. We feel it important to share this context as it relates to why the University expresses disagreement with several of the findings below. In areas in which we disagree, we do so respectfully and with a welcome appreciation for the perspective and input the State Auditor has provided. In sections where the University has noted it is in agreement with the State Auditor's findings, we have outlined specific policies and activities we are continuing to pursue or will initiate to remediate the issues raised. Please feel free to contact us with any questions or requests for clarification.

We requested this audit because we are committed to ensuring that the University is successful in providing a quality education to our increasingly growing and talented student body and ensuring we have sound policies and practices in place. We are appreciative of the substantive work of the Auditor's office, their professionalism and the extensive time they have invested in the

review process. We hope to serve as an example of transparency and reflective assessment for how public institutions can engage the office of the auditor to continuously improve fiscal processes and procedures.

Respectfully Submitted,

Ronald A. Norward

Chairman, Board of Regents

Office of Missouri State Auditor

Nicole Galloway, CPA

Gasconade County

Report No. 2019-009
February 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Gasconade County

Sheriff's Office Reserve Fund	The former Sheriff maintained the Sheriff's Office Reserve Fund bank account outside the county treasury. The Sheriff's office did not retain documentation related to the Sheriff's Office Reserve Fund bank account. We could not ensure the disbursements made from this account were a prudent use of taxpayers dollars due to the lack of documentation and several disbursements do not appear to be proper or essential to the administration and operation of the office. In additon, the former Sheriff failed to withhold and report payroll and income taxes on payments to former deputies for time worked at the Gasconade County Fair. Timesheets were not prepared for $36,480 paid to 26 deputies and $2,500 paid to the former Sheriff from January 1, 2014, through December 31, 2016, for providing security for the Gasconade County Fair. The county may not have properly compensated some former deputies for overtime in compliance with its overtime policy and the Fair Labor Standards Act.
Ex-Officio Recorder of Deeds' Controls and Procedures	The Ex-Officio Recorder of Deeds does not account for the numerical sequence of all transaction numbers.
Public Administrator's Controls and Procedures	The Public Administrator does not always file annual settlements timely. The Public Administrator lacked adequate documentation for several gift cards purchased for wards during the year ended December 31, 2017.
Electronic Data Security	The County Assessor, County Clerk, County Treasurer, Ex-Officio Recorder of Deeds, Prosecuting Attorney, Public Administrator, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Security controls are not in place to lock computers in the offices of the County Assessor and Public Administrator after a specified number of incorrect logon attempts. The Public Administrator does not store data backup files at an off-site location.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Gasconade County
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Management Advisory Report - State Auditor's Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Gasconade County

We have audited certain operations of Gasconade County in fulfillment of our duties under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Gasconade County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

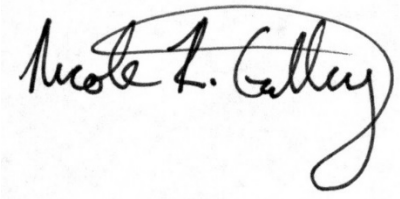
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Gasconade County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CGAP
In-Charge Auditor:	David T. Olson
Audit Staff:	Morgan Alexander
	Troy Tallman, CFE
	Joseph T. Magoffin

1. Sheriff's Office Reserve Fund

Controls and procedures over a bank account maintained by the former Sheriff outside the county treasury were not adequate. The former Sheriff deposited $66,115 into this account and disbursed $71,469 from this account during the 3 years ended December 31, 2016. The account was closed during December 2016.

1.1 Bank account

The former Sheriff maintained the Sheriff's Office Reserve Fund bank account outside the county treasury. According to the former Sheriff and bank records obtained, money deposited into this fund included:

Receipts by Type	Amount
Gasconade County fair security	$ 39,720
Prisoner transport	13,789
Donations, fundraisers, and miscellaneous	7,786
Law enforcement services for the City of Bland	2,500
Sex offender compliance	1,680
Partition sale commissions	640
Total	$ 66,115

The former Sheriff indicated he maintained this account to ensure the monies received were used for the benefit of the Sheriff's office.

There is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, Attorney General's Opinion 45-1992 (April 23, 1992) states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

1.2 Disbursements

The Sheriff's office did not retain documentation related to the Sheriff's office Reserve Fund bank account. A budget was not prepared for this account and disbursements were not processed through the normal county disbursement process. Payments and withdrawals totaling $71,469 were made from January 1, 2014, through December 31, 2016. The former Sheriff indicated the records were left in the Sheriff's office upon leaving office at the end of his term in December 2016. The current Sheriff indicated the records could not be located. The final bank statement for this account was sent to the home of the former Office Manager instead of to the Sheriff's office. This statement was mailed in January 2017, after the current Sheriff took office. The former Sheriff indicated he did not know why that statement was not mailed to the Sheriff's office. The current Sheriff indicated he became aware of the existence of the account upon taking office in January 2017. We could not ensure the disbursements made from this account were a prudent use of taxpayer dollars due to the lack of documentation other than check images obtained from the bank, interviews with the former Sheriff, and discussions

with select vendors. Several disbursements do not appear to be proper or essential to the administration and operation of the Sheriff's office.

- A cash withdrawal of $4,550 closed the account in December 2016. The former Sheriff indicated he used this money to pay for a Christmas and retirement party and to provide bonuses to the deputies. The cost of the party totaled $1,050. We could not determine if the remaining $3,500 was provided as bonuses. Providing bonuses conflicts with Article III, Section 39 of the Missouri Constitution.

- A payment of $786 to a gun and pawn shop for a limited edition replica pistol based on the revolver used by the Wyatt Earp character in the movie *Tombstone*. The former Sheriff indicated he did not purchase the item and did not know the item was purchased. The current Sheriff indicated he has not seen this pistol and it is not in the office's inventory.

- Donations totaling $1,693 to various charitable causes. Providing donations conflicts with Article VI, Sections 23 and 25 of the Missouri Constitution.

- Payments totaling $6,275 to the former Chief Deputy. The former Sheriff indicated these payments were for purchasing and installing electrical equipment on patrol vehicles.

- Payments totaling $4,326 to local restaurants and grocery stores. The former Sheriff indicated these payments were for food at meetings and lunches with deputies.

- Payments totaling $360 to the former Sheriff and $340 to the former Office Manager. The former Sheriff indicated these payments were to reimburse himself and the former Office Manager for office related expenses.

- Purchases totaling $1,237 from Walmart and $268 from a local convenience store.

- Payments totaling (1) $439 for advertisements at local events and in newspapers, (2) $460 for a local golf tournament, and (3) $287 for memberships in various organizations.

- Payments totaling $303 for flowers and awards and $202 in license renewal fees.

Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, indicates all records made or received by officials in the course of their public duties are public property

and are not to be disposed of except as provided by law. Taxpayers have placed a fiduciary trust in the county to spend public funds in a necessary and prudent manner. Expending monies outside the county's normal budgeting and disbursement process increases the risk of misuse or unnecessary purchases occurring. Providing bonuses conflicts with Article III, Section 39 of the Missouri Constitution, which prohibits granting any extra compensation, fee, or allowance to employees for services already rendered. Article VI, Sections 23 and 25 of the Missouri Constitution, prohibits the granting of public funds to benefit private individuals. To ensure the validity and propriety of disbursements, adequate supporting documentation should be obtained for all vendor payments.

1.3 Timesheets

Timesheets were not prepared for $36,480 paid to 26 deputies and $2,500 paid to the former Sheriff from January 1, 2014, through December 31, 2016, for providing security for the Gasconade County Fair. Payments to these individuals were handled through the Sheriff's Office Reserve Fund bank account and not through the county's normal payroll process. As a result, the county could not substantiate compliance with Fair Labor Standards Act (FLSA) requirements for these employees. The current Sheriff indicated he now uses timesheets to track time worked and uses the standard payroll process to compensate deputies for time spent providing security for the Gasconade County Fair.

Detailed timesheets would document hours actually worked and provide information necessary to monitor tasks performed, and are beneficial in demonstrating compliance with the FLSA requirements.

1.4 Overtime, payroll reporting, and withholdings

The county may not have properly compensated some former deputies for overtime in compliance with its overtime policy and the FLSA. In addition, the former Sheriff failed to withhold and report payroll and income taxes on payments to former deputies for time worked at the Gasconade County Fair.

To ensure all employee compensation, including overtime, is properly calculated, reported and taxed, all compensation should be paid through the normal county payroll process. The failure to properly report and tax all wages could result in penalty and interest charges assessed against the county. Strict compliance with personnel policies and the FLSA is necessary to ensure employees are treated fairly and are properly compensated.

Recommendations

The County Commission and the Sheriff:

1.1 Ensure the Sheriff does not maintain a bank account outside the county treasury and ensure all monies are disbursed to the County Treasurer timely.

1.2 Ensure disbursement records are properly retained. Additionally, ensure all disbursements are reasonable, necessary, and a prudent use

of public funds. Discontinue granting public funds to private organizations and paying bonuses to employees.

1.3 Continue to require all Sheriff's employees to prepare complete and accurate timesheets.

1.4 Ensure all employee compensation is paid through the county's normal payroll process, properly taxed, and reported to the Internal Revenue Service. In addition, ensure all time worked is used in overtime calculations.

Auditee's Response

The County Commission provided the following response:

We agree and the recommendations have been implemented with the new Sheriff taking office in 2017.

The Sheriff provided the following response:

I agree and have implemented the recommendations. Since taking office, I have not operated the office in this manner.

2. Ex-Officio Recorder of Deeds' Controls and Procedures

Controls and procedures in the office of the Ex-Officio Recorder of Deeds need improvement. The office collected approximately $155,000 for recording documents such as marriage licenses, deeds, and other miscellaneous receipts during the year ended December 31, 2017.

The Ex-Officio Recorder of Deeds does not account for the numerical sequence of all transaction numbers. The Ex-Officio Recorder of Deeds and office staff can void and delete transaction numbers. We noted 2 missing transaction numbers during our review of 9 deposits selected for review and the related daily transaction reports. We expanded our review to include all transaction numbers issued during the year ended December 31, 2017, and we could not account for approximately 3,100 of 5,200 transactions numbers. For example, transaction number 29,593 was followed by transaction number 30,595, resulting in a gap of more than 1,000 transaction numbers that could not be accounted for. The Ex-Officio Recorder of Deeds and software vendor both indicated any large gaps in transaction numbers were due to software glitches. A documented review of deleted transaction numbers is not performed by the Ex-Officio Recorder of Deeds.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

Recommendation

The Ex-Officio Recorder of Deeds perform a documented review of accounting records and account for the numerical sequence of all transaction numbers.

Auditee's Response

I agree with the recommendation and am working on implementing the recommendation.

3. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need improvement. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division, and was responsible for the financial activity of 28 individuals as of December 31, 2017.

3.1 Annual settlements

The Public Administrator does not always file annual settlements timely. During our review of 10 active cases, we found 6 cases did not have annual settlements filed timely. These 6 settlements were filed from 23 to 96 days after the due date. The Public Administrator records the due dates for the annual settlements in her case management software. In addition, the Circuit Court, Probate Division Clerk sends a notice to the Public Administrator when the annual settlement is 2 weeks past due. Despite these procedures, annual settlements have been filed late.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely filing of annual settlements is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

A similar condition was noted in our prior audit report.

3.2 Disbursements

The Public Administrator lacked adequate documentation for several gift cards purchased for wards during the year ended December 31, 2017. A receipt or other documentation was not obtained indicating wards received gift cards totaling $205.

To ensure payments are valid and proper and to reduce the risk of loss, theft, or misuse of ward assets, adequate supporting documentation should be maintained for all disbursements, including monies or other items of value provided to a ward.

Recommendations

The Public Administrator:

3.1 File annual settlements timely.

3.2 Obtain and retain documentation for monies or other items of value provided to wards.

Auditee's Response

3.1 I will continue to make every effort to file timely settlements. The process involving the 30 day deadline can be challenging.

3.2 I agree and have implemented the recommendation.

4. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The County Assessor, County Clerk, County Treasurer, Ex-Officio Recorder of Deeds, Prosecuting Attorney, Public Administrator, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The employees in these offices are not required to change passwords periodically. In addition, employees' passwords in the offices of the Prosecuting Attorney and Public Administrator are shared and not kept confidential. Also, passwords for employees in the offices of the County Assessor, County Collector, County Treasurer, Ex-Officio Recorder of Deeds, and Public Administrator are not required to have a minimum number of characters.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords in certain offices are not required to be kept confidential and periodically changed, or to contain a minimum number of characters, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, changed periodically, and contain a minimum number of characters to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

Security controls are not in place to lock computers in the offices of the County Assessor and Public Administrator after a specified number of incorrect logon attempts. In addition, the Public Administrator does not disable the user accounts of employees who no longer work in the office.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls and effective procedures to remove user access, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data including confidential data and other sensitive resources.

4.3 Data backups

The Public Administrator does not store data backup files at an off-site location. In addition, backup files are not tested periodically in the offices of the County Clerk, County Treasurer, Ex-Officio Recorder of Deeds, and Public Administrator.

To help prevent loss of information and ensure essential information and computer systems can be recovered, computer data should be stored off-site and tested on a periodic basis.

Recommendations

The County Commission work with other county officials to:

4.1 Require each employee to have a confidential password with a minimum number of characters that is periodically changed.

4.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts and ensure user accounts of former employees are promptly disabled.

4.3 Ensure backed-up computer data is stored in a secure off-site location and tested on a regular basis.

Auditee's Response

We agree and will work with county officials to implement these recommendations.

Gasconade County
Organization and Statistical Information

Gasconade County is a county-organized, third-class county. The county seat is Hermann.

Gasconade County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 35 full-time employees and 9 part-time employees on December 31, 2017.

In addition, county operations include the Senate Bill 40 Board and the Community Mental Health Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Larry Miskel, Presiding Commissioner	$	29,390
Jim Holland, Associate Commissioner		27,390
Jerry D. Lairmore, Associate Commissioner		27,390
Pamela R. Greunke, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Lesa Lietzow, County Clerk		41,500
Mary E. Weston, Prosecuting Attorney		51,000
John Romanus, Sheriff		46,000
Michael Feagan, County Treasurer		41,500
Benjamin D. Grosse, County Coroner		14,000
Fay Owsley, Public Administrator		25,000
Shawn Schlottach, County Collector (2), year ended February 28,	56,493	
Joseph M. Mundwiller, County Assessor, year ended August 31,		41,500
Vincent Klott, County Surveyor (3)		

(1) Compensation is paid by the state.
(2) Includes $14,993 of commissions earned for collecting city property taxes.
(3) Compensation on a fee basis.

Financing Arrangement

The county entered into a line of credit with People's Savings Bank on September 14, 2017, to provide funding for replacing the courthouse roof.

The original line of credit was $488,000. The line of credit is renewed annually and is planned to be paid off in 2022. Construction was completed in 2018. The remaining principal outstanding at December 31, 2017, was $488,000. The loan payments are anticipated to be paid from the General Revenue Fund.

Office of Missouri State Auditor

Nicole Galloway, CPA

Unemployment Insurance System Data Security

Report No. 2019-008
February 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the DOLIR Unemployment Insurance System Data Security

User Account Management

Department of Labor and Industrial Relations (DOLIR) management has not fully established controls for the maintenance of user accounts for accessing the UInteract system. Established controls (1) disable a user account when the account has not been accessed for 120 days and (2) limit access to system administrative functions to computers attached to the state's internal network. However, the quarterly review process used by the DOLIR to detect and remove terminated user accounts did not effectively identify all accounts belonging to users not employed by the DOLIR. DOLIR management could reduce the risk of unauthorized access by increasing efforts to identify user accounts assigned to former employees and by providing periodic reminders to agency security coordinators of the importance of promptly removing user access assigned to former employees. Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets.

In the areas audited, the overall performance of this entity was **Good**.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Unemployment Insurance System Data Security
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NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Anna S. Hui, Director
Department of Labor and Industrial Relations
Jefferson City, Missouri

We have audited certain internal controls, including security controls, designed to protect data and information maintained by the Department of Labor and Industrial Relations, Division of Employment Security, Unemployment Insurance system. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

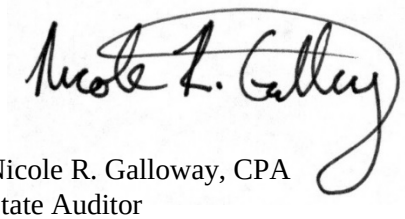
1. Evaluate the system's internal controls over significant management and financial functions, including the security and privacy controls designed to ensure the confidentiality, integrity, and availability of data and information maintained in the Unemployment Insurance system.

2. Evaluate compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and information system control activities. The accompanying Management Advisory Report presents our finding arising from our audit of Unemployment Insurance System Data Security.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Jeffrey Thelen, CPA, CISA
In-Charge Auditor:	Patrick M. Pullins, M.Acct., CISA
Audit Staff:	Kristin A. Clink, MBA

Unemployment Insurance System Data Security Introduction

Background

The Missouri Unemployment Insurance (UI) program was created by state statute to provide for the well-being of citizens. State law indicates "Economic insecurity due to unemployment is a serious menace to health, morals, and welfare of the people of this state resulting in a public calamity.[1]" The UI program is administered by the Department of Labor and Industrial Relations (DOLIR), Division of Employment Security (DES), through a federal-state partnership that was founded upon federal law but implemented through state law. In Missouri, the program is funded solely through tax contributions paid by employers, so no deductions are made from employees' paychecks for this insurance. The tax rate paid by each employer is determined by the DES, taking into account the employer's industry, claim history (how many workers have filed for UI benefits), and other adjustments allowed by state law. Taxes are due on only a portion of the wages paid to an employee (the base wage), with the base wage being subject to change based on a formula in state law.[2] In 2018, the base wage was $12,500.

Employees who lose their jobs through no fault of their own or quit for good cause related to the work or employer are eligible to file for unemployment benefits (including employees laid off from their jobs). Additionally, employees must meet certain rules regarding minimum earned wages and time frame of their employment. Employees may receive a maximum of $320 per week in benefits.

The DES utilizes a computer system known as UInteract to administer its UI responsibilities. This system, implemented in November 2016, was acquired from a vendor to replace multiple legacy computer systems that had supported the program for more than 40 years. The contractor completed the initial contract in March 2018; including providing, implementing, and trouble-shooting the system; and subsequently entered into an ongoing contract for continued maintenance of the system.

The UInteract system is web-based and accessible by claimants (employees) looking to file a claim, by employers for reporting and remitting UI taxes, and by state and private sector officials for administering the program and providing assistance to claimants searching for new jobs.

The Government Accountability Office (GAO) has included the security of information systems, including the protection of Personally Identifiable Information (PII), in the office's High-Risk List since 1997.[3] Technological

[1] Section 288.020.1, RSMo.

[2] Section 288.036.2, RSMo. The 2019 base wage decreased to $12,000.

[3] Report GAO-17-317 *Report to Congressional Committees, High Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others,* February 2017, is available at <http://www.gao.gov/assets/690/682765.pdf>, accessed December 4, 2018.

advances, such as lower data storage costs and increasing interconnectivity, have allowed both government and private sector agencies to collect and process extensive amounts of PII more effectively. Risks to PII can originate from unintentional and intentional threats. These risks include insider threats from careless, disgruntled, or improperly trained employees and contractors; the ease of obtaining and using hacking tools; and the emergence of more destructive attacks and data thefts.

Technology advances, combined with the increasing sophistication of individuals or groups with malicious intent, have increased the risk of PII being compromised and exposed. Correspondingly, the number of reported security incidents involving PII in both the private and public sectors has increased dramatically in recent years. At the same time, state agencies are increasingly reliant on technology and information sharing to interact with citizens and to deliver essential services. As a result, the need to protect information, including PII, against cybersecurity attacks is increasingly important.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information. Effective privacy controls depend on the safeguards employed within the information system that is processing, storing, and transmitting PII and the environment in which the system operates. Organizations cannot have effective privacy without a basic foundation of information security. Without proper safeguards and controls, information systems and confidential data are vulnerable to individuals with malicious intentions who can use access to obtain sensitive data or disrupt operations.

The National Institute of Standards and Technology (NIST) defines cybersecurity as the process of protecting information by preventing, detecting, and responding to attacks[4] while ISACA states cybersecurity encompasses all that protects enterprises and individuals from intentional attacks, breaches, and incidents as well as the consequences.[5] Cybersecurity should be aligned with all other aspects of information security, including

[4] National Institute of Standards and Technology, *Framework for Improving Critical Infrastructure Cybersecurity*, Version 1.1, April 2018, is available at <https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf >, page 45, accessed December 4, 2018.

[5] ISACA, *Transforming Cybersecurity*, 2013, page 11.

governance, management, and assurance. The state of being secure requires maintenance and continuous improvement to meet the needs of stakeholders and the demands of emerging cyber threats.

System conversion and reporting issues

During November 2016, the state implemented a new computer system to support the operations of the DES Unemployment Insurance program. The new system, UInteract, was acquired from a contractor that modified a system previously deployed in other states to meet Missouri's requirements. DOLIR management opted to "cutover" from the legacy system to the new system, without running the two systems concurrently for a period of time in an effort to minimize the risks of data being out-of-synch between the two systems and to reduce the time necessary to complete the conversion. Approximately 2.8 billion records, were converted to the new system from the legacy system.[6]

During the UInteract design and programming phases, DOLIR management elected to custom develop reporting tools rather than utilize the vendor's optional reporting tools. However, these internally-developed reporting tools were not functional when the new system was implemented. Also, at the time of system implementation, certain control functions, such as the capability to reconcile bank account activity or to accurately determine the Maximum Benefit Amount (MBA) allowed to a claimant, were not working correctly in the new system.

During the conversion process, not all of the 2.8 billion records transferred accurately from the legacy system to the new system. DOLIR staff indicated these records were mostly older records previously entered into the legacy system's database without certain controls to ensure data was accurate and met system expectations. For example, if the legacy system accepted a value of "2" for a date in the month of February, but the new system expected "02," the record may not have been processed correctly in the new system.[7] According to DOLIR staff, the new system set these records aside until they could be modified and processed correctly.

As a result of these system implementation issues, the DES could not produce accurate Unemployment Insurance program financial and federal reports from the UInteract system for fiscal year 2017. The State Auditor's Office (SAO) fiscal year 2017 *Statewide Single Audit*[8] and *Comprehensive Annual*

[6] Records converted included several types of benefit file records, such as claims management and payments, and several types of tax file records, such as employer data and wage records.

[7] The example provided is for illustrative purposes only and does not represent the actual issues encountered in the data migration and conversion process.

[8] SAO Report No. 2018-016, *State of Missouri Single Audit, Year Ended June 30, 2017*, issued in March 2018.

Financial Report[9] audit included nine audit findings related to the Unemployment Insurance program and system implementation. Seven of the nine findings were related to system implementation, including five findings related to the new system's reporting capabilities or controls and two related to functions suspended during the conversion. The remaining two issues were for internal controls not directly related to the UInteract system conversion. DOLIR officials agreed with the substance of all findings and implemented corrective actions.

Corrective action

During fiscal year 2018, including during the process of completing the fiscal year 2017 audits, DOLIR officials took actions to remedy the issues identified by the SAO. The DOLIR submitted a Corrective Action Plan for each finding to the Missouri Office of Administration for submission to relevant oversight bodies, including the U.S. Department of Labor (DOL). In September 2018, the DOL issued a Final Determination letter to the state communicating the corrective actions taken were adequate to correct the findings identified during the fiscal year 2017 audits.

During this audit, we reviewed current processes and internal controls in place related to the UInteract system, including items such as risk assessment and security planning. We determined the underlying issues that caused the fiscal year 2017 findings have been corrected. Accordingly, we do not include any discussion of these issues in the Management Advisory Report section of this audit report.

Scope and Methodology

The scope of our audit included evaluating (1) DOLIR management's approach to and management of the UInteract system, including information security, privacy, and other relevant internal controls, (2) policies and procedures, and (3) other management functions and compliance issues in place during the period January 2016 to December 2018.

Our methodology included reviewing written policies and procedures, and interviewing various DOLIR personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide

[9] State of Missouri, *Missouri Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2017*, issued in January 2018, is available at <https://oa.mo.gov/sites/default/files/CAFR%202017.pdf>, accessed December 4, 2018.

reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files from the UInteract system for user accounts with access to the system as of August 2018. In addition, we obtained employment records of all state employees from July 2000 to September 2018 from the statewide accounting system for human resources (SAM II). We matched these records to determine if any terminated employees had active UInteract accounts. We provided DOLIR officials a list of all terminated employees we found who had active access to the UInteract system. Although we used computer-processed data from the UInteract and SAM II systems for our audit work, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security and privacy controls from the following sources:

- Missouri Adaptive Enterprise Architecture (MAEA)
- National Institute of Standards and Technology (NIST)
- U. S. Government Accountability Office (GAO)
- ISACA

User Account Management

Department of Labor and Industrial Relations (DOLIR) management has not fully established controls for the maintenance of user accounts for accessing the UInteract system. Active accounts assigned to terminated users are not always removed timely. As of August 31, 2018, 1,097 accounts were assigned to users employed by the state and federal government or partner agencies, such as local job placement agencies.

The UInteract system disables a user account when the account has not been accessed for 120 days, according to DOLIR staff. In addition, system administrative functions can only be accessed from computers attached to the state's internal network. While these controls help to reduce risk, we found the UInteract system is vulnerable to the risk of unauthorized or inappropriate activity because 52 user accounts of terminated state employees were not disabled timely. This total included 2 users not employed by the DOLIR who left employment for another position in state government. These 2 users could maintain UInteract system access as long as they had continued access to the state computer network and logged in at least once every 120 days.

A terminated user is someone who has left employment and no longer needs access to the system. These 52 users had access to the UInteract system as of August 31, 2018, even though the users had terminated employment prior to August 1, 2018. DOLIR staff detected and removed the access for 44 of these users prior to auditors notifying DOLIR management of this issue.

However, the quarterly review process used by the DOLIR to detect and remove terminated user accounts did not effectively identify all accounts belonging to users not employed by the DOLIR. The remaining 8 users (including the 2 users mentioned above) whose system access had not been detected and removed by DOLIR staff were employed by other state agencies. According to the state human resources system (SAM II), these users left their jobs between April 2017 and July 2018. However, they still had active accounts as of August 31, 2018.

DOLIR management could reduce the risk of unauthorized access by increasing efforts to identify user accounts assigned to former employees and by providing periodic reminders to agency security coordinators of the importance of promptly removing user access assigned to former employees.

According to the Missouri Adaptive Enterprise Architecture (MAEA),[10] agencies must have a procedure in place for the timely notification of

[10] The Enterprise Architecture includes standards, policies, and guidelines established by Office of Administration management. The Enterprise Architecture is made up of several information technology domains, including domains dedicated to security and information. The domains define the principles needed to help ensure the appropriate level of protection for the state's information and technology assets.

administrators when a user no longer needs access. Agencies are responsible for determining which of their employees are given access to the system and for ensuring all individuals who have access still need the access. Although agencies are responsible for notifying the DOLIR to remove user access rights, DOLIR management is ultimately responsible for security of the UInteract system.

Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets, according to the Government Accountability Office (GAO).

Recommendation

The DOLIR continue to improve the reviews of user accounts to ensure access of terminated or transferred employees is removed timely. In addition, the DOLIR should provide periodic reminders to other agency security coordinators of the importance of promptly requesting the removal of user access assigned to former employees.

Auditee's Response

The DOLIR agrees with the recommendation. Our planned correction actions include:

1. *Receiving a monthly list from the DOLIR Human Resources section that contains all department employees who have left employment during the month. UInteract access will be removed for individuals who are no longer employed by the DOLIR on a monthly basis.*

2. *Creating a formal UInteract System Access form that contains language reminding the requesting agency it must notify the Division of Employment Security, within 30 days, if a user no longer requires access to the UInteract system.*

3. *Sending bimonthly reminders to other agencies' security coordinators of the importance of promptly requesting the removal of user access assigned to staff who no longer require UInteract access.*

Office of Missouri State Auditor

Nicole Galloway, CPA

City of Hamilton

Report No. 2019-007
February 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Hamilton

Street Maintenance and Restricted Street Funds	The Board of Aldermen has not developed a formal maintenance plan to adequately maintain and repair city streets, as streets are currently in various states of disrepair.
Disbursements	The Board does not adequately monitor its activities for conflicts of interest. Competitive bids were not solicited for 2 separate construction projects performed by Alderman Trosper's company and public notice was not given as required by state law. Personal financial disclosure forms filed by the Mayor with the Missouri Ethics Commission were inaccurate due to not reporting amounts paid to his wife, and Alderman Trosper did not file his personal financial disclosure form for 2017. The Board did not ensure an affidavit of compliance certifying prevailing wages were paid on the sidewalk construction project was filed timely by Alderman Trosper's company for the project performed for the city during fiscal year 2017. Several city employees perform tasks related to multiple city functions, but the city has no documentation to justify the allocation of salaries and fringe benefit expenses to various funds. Numerous payments by cashier's check were made to the contractor on the swimming pool renovation project instead of a city check. In addition, these transactions did not go through the normal disbursement process. The Board does not require invoices to be marked paid or otherwise canceled.
Utility Controls and Procedures	The city's utility billings were not consistent with city ordinances pertaining to outside city limits connections. The Board has violated bond covenants for its water system bonds by transferring surplus water revenues to the General Fund since at least 2012. City personnel allowed some customers to avoid utility shut off by entering into promise to pay agreements without the Board's approval. Controls over adjustments posted to customer utility accounts need improvement. A listing of refundable customer water deposits held in the Water Fund is not prepared and the city does not maintain records of the deposit amounts being held in the Water Fund. City officials have not metered the treatment plant and do not perform monthly reconciliations of total gallons of water billed to gallons of water pumped.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed. The city's procedures for receipting and depositing are poor.
Sunshine Law	The Board did not comply with state law regarding closed meetings. Open meeting minutes did not document the specific reasons or section of law allowing the meetings to be closed for any of the 16 closed meetings held between July 1, 2016, and June 13, 2018. Some issues discussed in closed meetings were not allowable under the Sunshine Law. The Park Board failed to prepared minutes for 4 of the 8 open meetings held during the year ended June 30, 2018.

Electronic Data Security	The City Administrator and City Clerk share the user identification and password for a shared computer used for issuing receipt slips from the accounting system. Security controls are not in place to lock computers after a certain period of inactivity.
Budgeting Practices	City budgets do not include all statutorily required elements and the Park Fund was deficit budgeted in 2019.
City Library	Property taxes received by the city for the library are not distributed timely to the Library Board and the library's annual report for the year ended June 30, 2017 was not filed timely with the city.

In the areas audited, the overall performance of this entity was Fair.*

*****The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Hamilton
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NICOLE GALLOWAY, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Hamilton, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Hamilton. We have audited certain operations of the city in fulfillment of our duties. The city engaged Conrad and Higgins, LLC, Certified Public Accountants, to audit the city's financial statements for the year ended June 30, 2017. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2017. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.

2. Evaluate the city's compliance with certain legal provisions.

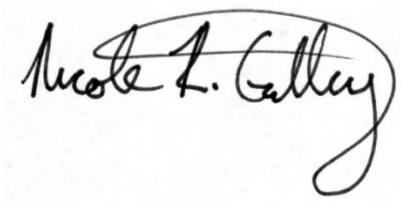
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and its audited financial report and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Hamilton.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tessa Rusatsi, CPA
Audit Staff:	Amanda G. Flanigan, MAcc

1. Street Maintenance Plan

The Board of Aldermen has not developed a formal maintenance plan to adequately maintain and repair city streets. During the 3 years ending June 30, 2018, the city had receipts of $964,795 in the Street Fund. The cash balance for the fund as of June 30, 2018, was $718,025, with $368,060 representing the remaining balance of the proceeds from a lease purchase agreement entered into by the city to pay for a street project completed in the summer of 2018.

City streets are in poor condition but a formal maintenance plan for fixing streets utilizing the dedicated street revenues received by the city has not been developed. In addition to the motor-vehicle related revenues received from the state, the city also receives the proceeds of two 1/2-cent sales taxes restricted for streets. The first sales tax was passed in 1993 and has no expiration and can be used for any street related expenditure, such as street department personnel costs, maintenance, lighting, or snow removal. The second sales tax was passed in 2011 and was in effect until March 2017. A renewal of this tax was approved in 2016 and is in effect until March 2027. This sales tax can be used for capital improvement of streets, but cannot be used to pay for personnel costs of the street department.

We observed city streets in various states of disrepair, noting numerous potholes, cracking and crumbling pavement, and several areas where water pooled during heavy rains. A sidewalk project completed during fiscal year 2017, and other street projects completed prior to that were focused on the business district. The city hired an engineering firm in 2016 to help determine the scope of work for a project recently completed on primarily residential streets. However, the city has not prepared a formal maintenance plan to determine the estimated costs and the extent of work needed on all streets. The street improvements completed in August 2018 were predominately funded through a lease purchase agreement with a local bank for $386,000, that requires monthly payments of $6,972 through July 2023. City officials indicated additional street improvements will be made annually in the next few years, but the specific improvements have not been determined.

A formal maintenance plan should be prepared in conjunction with the annual budget and include a description of the streets needing maintenance, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan should be included in the budget message and approved by the Board. In addition, a public hearing should be held to obtain input from city residents. Also, a long-term maintenance plan, including plans for the next 3 to 5 years, would benefit the city.

Recommendation

The Board of Aldermen establish a formal annual maintenance plan, in conjunction with a comprehensive long-term plan, for repairing and maintaining city streets that efficiently uses available resources. In addition,

the Board should hold a public hearing to discuss streets improvements needed, along with potential methods of financing such improvements.

Auditee's Response

The Board recognizes although there is no statutory requirement for a long-term street maintenance plan having such a plan is a valuable management tool. The Board has in the past in public Board meetings reviewed the street projects for the year and permitted public input. However, the Board commits to preparing and adopting a 5-year street maintenance plan by the end of 2019. The Board further commits to holding one or more public hearings prior to adoption of the plan.

City staff have issued a Request for Qualifications to engineer firms to prepare a 5-year plan. Currently, the Board does not know whether the cost for hiring an engineering firm for such a project is feasible. In the meantime, the Street Superintendent has been requested to review the condition of all streets and make a report to the Board.

Once the street plan is adopted, the Board commits to a comprehensive review of all funding options, including, submitting a bond issue to the voters to determine the voter support for a major street project.

2. Disbursements

Controls and procedures over city disbursements need improvement.

2.1 Conflicts of interest and personal financial disclosures

The Board does not adequately monitor its activities for conflicts of interest. The city paid $14,872 to Alderman Trosper's landscape services company for 2 separate construction projects during the year ended June 30, 2017, without properly soliciting bids as required by state law. The personal financial disclosure form was not properly completed by the Mayor and one Alderman did not complete a personal financial disclosure form during the year ended June 30, 2017.

Conflicts of interest

Competitive bids were not solicited for 2 separate construction projects performed by Alderman Trosper's company and public notice was not given as required by state law.

Alderman Trosper's company was selected to perform work on a storm drain project in February 2017. City personnel indicated bids for this project were solicited by telephone, but no documentation was maintained of the proposals received. The company was paid $5,100 for the work on this project.

The Board also contracted with Alderman Trosper's company to complete a sidewalk replacement project in April 2017. A handwritten note submitted to the current City Administrator by the Public Works Supervisor dated April 12, 2017, indicated 2 contractors were contacted, but only one bid was received. However, no documentation could be provided to us of this bid. The current City Administrator indicated the bid was a verbal bid from Alderman

Trosper and was not in writing. The supervisor was informed in a written note that 1 bid was not sufficient and to attempt to get additional bids. Eventually, 2 written bids were received for the project. One bid, dated April 20, 2017, was submitted by Alderman Trosper's company, and another bid dated April 27, 2017, was submitted from a different company. The bid of $9,900 by Alderman Trosper's company was the lowest bid, and the firm was paid $9,772 after the invoice was adjusted by the city for city materials used on the project.

A complaint was filed with the Missouri Ethics Commission (MEC) regarding these transactions and the MEC issued a findings of fact and conclusions of law regarding Alderman Trosper on June 6, 2018. The MEC found that Alderman Trosper violated Sections 105.458.1 and 105.458.2, RSMo, and a fine of $14,872 was ordered. The fine would be reduced to $1,500 if the fine was paid within 45 days which was done by Alderman Trosper.

Board members serve in a fiduciary capacity and have an obligation to the public to avoid the appearance of impropriety. Personal interests in business matters of the city could create actual or the appearance of conflicts of interest, and a lack of independence could harm public confidence in the Board and reduce its effectiveness. Sections 105.454 and 105.458, RSMo, prohibit financial transactions between the city and elected officials that involve more than $500 per transaction or $5,000 per annum, unless there has been public notice to solicit proposals and competitive bidding, provided the bid or offer accepted is the lowest received.

Personal financial disclosures

Personal financial disclosure forms filed by the Mayor with the MEC were inaccurate due to not reporting amounts paid to his wife, and Alderman Trosper did not file his personal financial disclosure form for 2017. Per city ordinance number 1650, financial disclosure statements are required to be filed with the city and MEC by Board members (or candidates for office) and certain municipal officials in accordance with state law. Personal financial disclosure statements (forms) filings with the MEC are required by Section 105.483, RSMo. The forms require disclosure of any transactions of more than $500 between the city and the filer and/or family. However, the Mayor did not report a $722 payment to his wife in 2016 and 8 payments to his wife, ranging from $550 to $625, during 2017 related to a cleaning contract with the city. A complaint was filed with the MEC regarding these transactions and the MEC issued a findings of fact and conclusions of law regarding the Mayor on January 11, 2019. The MEC found that the Mayor violated Sections 105.458.2 and 105.458.4, RSMo, and a fine of $1,000 was ordered. The fine would be reduced to $100 if the fine is paid within 45 days.

Alderman Trosper did not file a personal financial disclosure form for 2017, that was due by May 1, 2018. This form would have required disclosure of the payments made to him by the city for the contract labor performed during 2017.

The Board's conflict of interest and financial disclosure policy and Sections 105.483 and 105.485.4(1)(a), RSMo, requires Board members and certain city employees to file financial disclosure statements to disclose any transaction in excess of $500 during the year between the city and such person, or any person related to such person within the first degree of consanguinity or affinity.

2.2 Prevailing wages

The Board did not ensure an affidavit of compliance certifying prevailing wages were paid on the sidewalk construction project was filed timely by Alderman Trosper's company for the project performed for the city during fiscal year 2017. State law requires this affidavit be filed by any contractor on a public works project prior to final payment being made by the public body. Work on the sidewalk was completed in June 2017, and final payment was made on June 28, 2017. A sunshine law request was made on November 28, 2017, by a citizen to obtain this affidavit. The Board required Alderman Trosper complete the affidavit and submit it after the sunshine request was received. The affidavit stating compliance with prevailing wages for the sidewalk project was signed, notarized, and submitted to the city on December 5, 2017.

Section 290.290.2, RSMo, requires "each contractor and subcontractor shall file with the contracting public body upon completion of the public work and prior to final payment therefor an affidavit stating that he had fully complied with the provisions and requirements of this chapter, and no public body shall be authorized to make final payment until such affidavit is filed therewith in proper form and order."

2.3 Allocations

Several city employees perform tasks related to multiple city functions, but the city has no documentation to justify the allocation of salaries and fringe benefit expenses to various funds. Public works employees perform various tasks such as street repairs, water meter readings, and sewer line maintenance and the City Administrator performs various administration functions that benefit each of these funds. During the year ended June 30, 2017, the city paid payroll and fringe benefits for the public works employees and the City Administrator from the following funds:

Fund	Amount
Sewer	$ 48,439
Water	44,469
Street	31,661
Total	$ 124,569

Allocations were made for the same employees in fiscal year 2018 but were calculated by charging the salary of the highest paid employee to the Water Fund, next highest paid employee to the Street Fund, and the lowest paid employee to the Sewer Fund. A part-time employee's salary was evenly split

between the 3 funds. The City Administrator estimated how much of her salary should be allocated to each of the 3 funds.

We identified other disbursements where a portion of the cost was either allocated to the Street Fund or paid entirely from the Street Fund without adequate documentation. Lawn care service costs totaling $21,852 during the 3 years ended June 30, 2018, were charged entirely to the Street Fund, and $4,500 of the $7,150 cost of the city's independent audit for the year ended June 30, 2017, was charged to the Street Fund with no explanation. In addition, $1,112 of the cost to repair the city's brush hog (mower) was allocated to the Street Fund with no explanation.

The proper allocation of expenses is necessary for the Board to accurately determine the results of operations of specific activities, thus enabling the Board to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs for employees. Allocating disbursements to the Street Fund that are unrelated to maintenance of the streets and unallowable reduces the funds available for maintaining the streets.

2.4 Cashier's checks

Numerous payments by cashier's check were made to the contractor on the swimming pool renovation project instead of a city check. In addition, these transactions did not go through the normal disbursement process, were not included on the reports provided to the Board, and it is unclear whether the Board was aware of these payments.

The pool bond bank account was not set up to issue checks by the prior City Administrator. When invoices were submitted by the contractor or architect, the City Clerk would go to the bank to purchase cashier's checks from the pool bond bank account to make the payment. Of the $399,018 spent on the project, $369,036 was paid using cashier's checks. When the current City Administrator was hired she stopped this practice and changed the account to allow checks to be issued. The final payments to the contractor and the architect, totaling $29,982, were made by city checks. Two signatures were used on the cashier's checks and included the City Clerk's signature, and either the signature of the Mayor, Billing Clerk, or the City Administrator. The cashier's checks ranged from $832 to $95,610. The proceeds of the bond issue and the payments made by cashier's checks were not included in the city's accounting system or the budget to actual documents reviewed by city personnel.

Making payments by cashier's checks does not allow the normal checks and balances to be applied to the payment process. In addition, to ensure accounting records are complete and accurate and all payments made by the

city are accounted for properly, all receipts and disbursements of city funds should be recorded in the accounting system.

2.5 Canceling invoices

The Board does not require invoices to be marked paid or otherwise canceled. Canceling invoices and other supporting documentation reduces the likelihood of duplicate payments and reduces the risk of loss, theft, or misuse.

Recommendations

The Board of Aldermen:

2.1 Refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law. In addition, financial disclosure statements should be accurately completed and filed by all Board members and city officials.

2.2 Ensure appropriate documentation is submitted in compliance with the prevailing wage law.

2.3 Ensure payroll costs are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

2.4 Continue to ensure all payments made for city expenditures are done through the normal disbursement process and the receipt and disbursement of all city funds are included in the city's accounting system.

2.5 Ensure invoices are marked paid to prevent duplicate payments.

Auditee's Response

2.1 Conflicts of interest

The Board has adopted a new policy requiring all bids be publicly noticed on the city's website. This will eliminate the possible issue when a Board Member or other city official desires to submit a bid. The Board also now requires written documentation on smaller bids, which may be solicited by telephone.

In each case mentioned by the auditors, the Board did accept the low bid and did follow its local bidding ordinance requirements. The Board commits to requiring documentation on any bids awarded to a public official showing the Board has complied with Sections 105.454 and 105.458, RSMo.

Personal financial disclosures

The Board recognizes the importance of having its elected officials comply with the personal financial disclosure requirements. The

Board commits to have the City Clerk, at least 30 days prior to the filing deadline, check that all required filings have been made. In addition, the Board will have the City Administrator meet with city officials each year to review the requirements so that inadvertent errors in the filings are not made. The Board also notes, in the case of the Mayor, amended filings were made to correct the reported errors.

2.2 The Board commits to use the Missouri Department of Labor and Industrial Relations, Division of Labor Standards, public works checklist on all projects to make sure all documents are timely obtained. The incident mentioned was a technical violation and was not a case of failure to properly pay prevailing wages. Additionally, the state law is now changed to no longer require prevailing wages on projects under $75,000.

2.3 The Board commits to provide better documentation on the allocation of costs. As the auditor is aware with a very small group of employees who do numerous jobs for the city, the allocation of such work, without requiring excessive non-productive time being expended to determine the proper allocation, is difficult.

2.4 City staff no longer follow the practice of using cashier's checks for payments. The Board commits to not using cashier's checks for payments of invoices in the future. The Board notes the auditor did not find any improper expenditure of funds but only found the payment process should be changed.

2.5 The Board commits to institute procedures for all invoices to be marked paid or canceled once payment has been made.

3. Utility Controls and Procedures

Utility controls and procedures need improvement. The city collected approximately $1 million in utility revenues during the year ended June 30, 2017.

3.1 Billing calculations

The city's utility billings were not consistent with city ordinances pertaining to outside city limits connections. The sewer rate charged to customers outside city limits was less than the rate set by city ordinance. In July 2016, the city increased sewer rates for customers both inside and outside the city limits, but city personnel indicated they failed to increase the sewer rate for 8 of the 9 customers outside the city limits. This error was identified by city personnel and fixed in September 2016. However, in January 2017, the Board again increased the sewer rate for outside the city limits. Test work performed on outside city limit customers for April 2017 indicated city personnel again failed to update the rate for 8 of the 9 customers outside the city limits. This error was identified and corrected by the city in June 2017. Additionally, in a review of 36 utility billings mailed in May 2017, 2 customers outside the city

limits were inappropriately charged city sales tax. Per city ordinance number 1476, only customers inside the city limits are to be charged sales tax.

Utility rates should be charged in accordance with city ordinance to ensure utility customers are treated fairly and equitably.

3.2 PILOT fee

The Board has violated bond covenants for its water system bonds by transferring surplus water revenues to the General Fund since at least 2012. The city transferred $36,547 and $34,995 of water revenues to the General Fund in the years ended June 30, 2017, and 2018, respectively. The transfers were not a reimbursement of specific expenses or costs paid by the General Fund related to providing water service, but instead a payment in lieu of taxes (PILOT) based on 6 percent of the water total user charges, per city ordinance number 1205. The city has made these transfers for many years using the same percentage. Because these transfers represent a consistent revenue source for the General Fund, it is important for the Board to periodically re-evaluate their impact, not only on the General Fund budget, but also on water rates.

Article VI, Section 602 (g) of the 2017 bond agreement, Article VI, Section 602 (e) of the 2013A bond agreement, and Article VI, Section 602 (e) of the 2012 bond agreement prohibit the transfer of any surplus revenue for any purpose other than a system related expense and paying off the bond itself. In addition, the 2012 bond agreement states "So long as any of the Bonds remain Outstanding, no moneys derived from the operation of the System shall be diverted to general governmental or municipal functions." Failure to follow the bond covenants could result in the bondholders taking action to call the bonds.

3.3 Promise to pay

City personnel allowed some customers to avoid utility shut off by entering into promise to pay agreements without the Board's approval. The City Clerk indicated that a memo is saved to the customer's utility account documenting the reason for an extension. City personnel do not review these agreements to ensure they are enforced and their use is not approved by the Board. The Board does not have a policy or ordinance addressing the use of promise to pay agreements.

To ensure the city applies consistent procedures for past due accounts, the Board should review the use and necessity of promise to pay agreements and consider discontinuing the practice or develop an ordinance or formal policy about the use of such agreements.

3.4 Adjustments

Controls over adjustments posted to customer utility accounts need improvement. Adjustments are sometimes needed to change a customer account balance, including waiving a penalty fee or reducing a balance due to water leaks. The City Clerk is not required to obtain independent approval for adjustments posted to the utility account prior to making the change. We

noted adjustments totaling $991 for the March and April 2017 customer billings that were not independently reviewed and approved. Because the City Clerk also prepares billings and receives and posts payments to customer's utility accounts, the ability to make adjustments without proper oversight increases the risk of loss, theft, or misuse of funds.

To ensure adjustments to utility accounts are valid and approved, adjustment transactions should be approved before they are made and the posted adjustments should later be compared to the list of approved adjustments.

3.5 Customer water deposits

A listing of refundable customer water deposits held in the Water Fund is not prepared and the city does not maintain records of the deposit amounts being held in the Water Fund. As a result, a listing of deposits is not reconciled to deposits being held.

Effective October 2015, the customer water deposit for residential properties is $150 for property owners and $300 for renters. For commercial properties, the deposit is based upon twice the estimated amount of 30 days services requested for new users, and can be adjusted to twice the actual average monthly usage as necessary. The city currently has approximately 840 water accounts. The deposit amount held for each customer is documented in his/her individual account record in the system.

Refundable customer water deposits are restricted funds held for customers. To ensure all deposits received from customers are accounted for properly, the Board should determine the deposit amounts being held in the Water Fund, require an accurate list of deposits held by the city be prepared monthly, and reconcile the list to the record of deposits held in the Water Fund monthly. In addition, performing such reconciliations provides the city assurance the Water Fund account balance is sufficient to cover customer deposit liabilities and ensure the deposits are not used for water operations.

3.6 Water usage reconciliations

City officials have not metered the treatment plant and do not perform monthly reconciliations of total gallons of water billed to gallons of water pumped. We requested information from the city to attempt to perform such a reconciliation, but sufficient information was not available to perform the calculation.

Monthly reconciliations of gallons of water billed to gallons of water pumped are necessary to help detect significant water loss or other problems and ensure all water use is properly billed.

Recommendations

The Board of Aldermen:

3.1 Ensure utility rates are billed in accordance with city ordinance.

3.2 Ensure any future payments from water revenues to the General Fund represent reimbursement of actual costs of operating the water system.

3.3 Review the use and necessity of promise to pay agreements and consider discontinuing the practice or develop an ordinance or formal policy about the use of such agreements.

3.4 Ensure all adjustments are properly approved and compared to actual changes posted to the computer system.

3.5 Determine the amount of customer deposits held in the Water Fund bank account and develop procedures to track the balance of those funds. Ensure a list of customer deposits is prepared and reconciled to the balance of deposits held monthly and differences are promptly investigated.

3.6 Ensure all water use is properly metered, gallons of water pumped is reconciled to gallons billed monthly, and significant differences are promptly investigated.

Auditee's Response

3.1 The Board commits to carefully check all users to be sure that any rate increases are properly made and rates charged are in accordance with ordinances.

3.2 The Board has charged a 6 percent fee to recover costs of other city funds from the water department. The Board recognizes it should have used a more detailed method of computing such costs instead of estimating such costs at 6 percent. The Board commits at least annually to review and document the actual costs to the General Fund, Street Fund, or other funds of the city for the water department, and will only recover those documented costs from the restricted funds.

3.3 The city's promise to pay procedure was used to prevent utility cutoffs to customers and assist customers in avoiding disconnection and reconnection fees. The Board recognizes the need for a formal policy for such procedure to guide its employees as to when a customer is eligible for the program. The Board commits to adopt a formal policy on this program and will have a list of any such agreements reviewed by the Board at least quarterly.

3.4 The Board agrees better controls should be in place. The Board commits to require all adjustments be approved by both the City Clerk and the City Administrator prior to being made. In addition, the Board commits to have the Mayor or a Board Member, at least

monthly, compare the posted adjustments with the list of approved adjustments.

3.5 The Board now realizes the software system does provide a separate accounting of customer deposits. However, the Board commits to have a separate bank account for all deposits so the Mayor and Board can easily determine the amount of these restricted funds. In addition, the Board commits to have the City Clerk and City Administrator, on alternating months, reconcile the funds in the deposit account with the records of customer deposits.

3.6 The Board has already included in the next phase of its long-term water project the installation of a water meter at the water plant. The water the city purchases from the Public Water Supply District is currently metered. The Board will ensure a reconciliation of gallons purchased to gallons sold is performed monthly and will investigate any significant differences identified.

4. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the year ended June 30, 2017, city receipts totaled approximately $2.5 million for all funds. Of this amount, approximately $1.95 million was handled and processed by employees at City Hall. The other monies were directly deposited into the city's bank accounts.

4.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city personnel are performed. The City Clerk is responsible for receipting, recording, and depositing monies, along with writing checks and performing bank reconciliations. Reviews of the detailed accounting and bank records are not performed by other city personnel or Board members.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

4.2 Receipting and depositing

The city's procedures for receipting and depositing are poor. As a result, there is no assurance all monies collected are properly receipted or deposited.

- City personnel do not always receipt payments received by check to the accounting system timely and checks are not always restrictively endorsed immediately upon receipt. During our cash count performed on April 5, 2018, we identified 4 checks, totaling $183, that had not been receipted to the accounting system and had not been restrictively endorsed at the time of the count.

- Deposits are not always made timely. During March 2017, one deposit, totaling $16,596, contained receipts held up to 5 business days before being deposited. Six other deposits, ranging from $4,000 to $11,000, contained receipts held for 2 to 3 business days before deposit.

- City personnel do not account for the numerical sequence of receipt slips issued by the city's computerized receipting system.

- The composition of receipt slips issued is not reconciled to the composition of deposits by an independent person.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies will go undetected.

Recommendations

The Board of Aldermen:

4.1 Segregate the accounting duties of the city personnel. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.

4.2 Ensure checks are receipted and restrictively endorsed immediately upon receipt and receipts are deposited timely. In addition, the Board should account for the numerical sequence of transaction numbers, and ensure the composition of receipts is reconciled to the composition of deposits by an independent person.

Auditee's Response

4.1 A full segregation of duties is impossible with the City Clerk and City Administrator as the only employees responsible for receipts and deposits and expenditures. The Board agrees some independent review would be beneficial. The Board commits by the end of 2019 to have a Board member or an outside accountant review the detailed accounting and bank records on a monthly basis.

4.2 City staff have implemented a new procedure to promptly receipt to the accounting system all monies received. Restrictive endorsements are applied to the checks when receipted.

The Board has implemented a procedure to require all funds be deposited within no more than 1 business day of receipt.

The Board commits to account for the numerical sequence of receipt slips issued by the accounting system.

The Board commits to require the composition of all deposits be reconciled with the composition of receipt slips by a person other than the person creating the deposits.

5. Sunshine Law

The Board and Park Board procedures for complying with the Sunshine Law need improvement.

5.1 Closed meetings

The Board did not comply with state law regarding closed meetings.

Reasons for closing meetings

Open meeting minutes did not document the specific reasons or section of law allowing the meetings to be closed for any of the 16 closed meetings held between July 1, 2016, and June 13, 2018. In addition, most meeting notices and agendas included a statement that a closed meeting would be held, in the event the Board wanted to enter closed session, and the statement generally included the same list of potential discussion matters.

Section 610.022, RSMo, of the Sunshine Law, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the vote and reason into the minutes. The section also limits discussion topics and actions in closed meetings to only those specifically announced prior to closure.

Allowable topics

Some issues discussed in closed meetings were not allowable under the Sunshine Law. For example, closed meeting minutes indicated the Board discussed utility connections outside city limits on November 9, 2016, and April 12, 2017, in a closed meeting. In addition, the Board also discussed the acceptance of a donation of property to the city on April 12, 2017, in a closed meeting.

Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law.

5.2 Park Board meetings

The Park Board failed to prepared minutes for 4 of the 8 open meetings held during the year ended June 30, 2018. The Park Board did not maintain meeting minutes from July 2016 to December 2016 and it is unclear if any meetings were held during that period.

Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of actions and decisions.

Recommendations

The Board of Aldermen:

5.1 Ensure specific reasons for closing a meeting are documented in the open minutes and ensure only topics allowed by state law are discussed in closed Board meetings.

5.2 Work with the Park Board to ensure minutes are prepared and retained for all meetings.

Auditee's Response

5.1 The Board respectfully denies that it does not comply with the Sunshine Law. The agendas list the basis for the Board to go into closed meetings and if a closed meeting is to be held the reasons for the meeting are included in the motion to close the meeting. The Board commits to have the motions for closed meetings to include only those statutory reasons for which the meeting will be held and not include statutory reasons that are inapplicable.

The Board has not discussed topics not allowable by law. The issue on utility connections dealt with legal matters and involved discussions between the Board and its legal counsel. The issue on property involved a proposed sale to the city, which is a permitted topic. It appears the minutes may not have fully documented the permitted topics. The Board commits to ensuring the minutes clearly and fully document the topics discussed.

5.2 The Board commits to monitoring the Park Board to ensure if meetings are held minutes will be prepared and filed with the City Clerk.

Auditor's Comment

5.1 While the reasons for the closed meetings may be discussed verbally by the Board when making motions to close a meeting, the specific reason for the closure has not been documented in the open minutes as required by state law.

6. Electronic Data Security

The Board has not established sufficient controls to reduce the risk of unauthorized access to computer systems and electronic data. As a result, city records are not adequately protected and are susceptible to unauthorized access or loss of data.

6.1 User identifications and passwords

The City Administrator and City Clerk share the user identification and password for a shared computer used for issuing receipt slips from the accounting system. While each has access to the receipt function on assigned work computers, which have unique user identification and passwords, receipting is typically done on the shared computer since that computer is the only one with the capability to print prenumbered receipt slips.

While a user identification and password are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Allowing certain users to share logon credentials increases the risk of unauthorized access and/or changes to the system and records and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be

unique to each person and passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

6.2 Security controls

Security controls are not in place to lock computers after a certain period of inactivity. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls, there is an increased risk of unauthorized access to systems and unauthorized use, modification, or destruction of data.

Recommendations

The Board of Aldermen:

6.1 Require unique user identifications for each computer and require passwords remain confidential and be changed periodically.

6.2 Implement security controls to lock computers after a certain period of inactivity.

Auditee's Response

6.1 Because of restrictions on the computer used for issuing receipts the Board does not view the limited sharing of a password for that computer as a significant security risk. However, the Board commits to check with its software vendor to determine if unique passwords for that computer are possible.

6.2 The Board commits to check with its vendor to determine if time sensitive lockouts can be added to restrict access to programs and data files.

7. Budgeting Practices

City budgets do not include all statutorily required elements and the Park Fund was deficit budgeted in 2019.

The 2018 budget did not include the actual beginning and estimated ending cash balances for each fund and information regarding the city's indebtedness. The 2019 budget listed actual beginning and estimated ending cash balances for each fund, but still did not include information on indebtedness. While the General Fund has provided funding to the Park Fund totaling $68,000 during 2017 and 2018, the Park Fund continues to have negative year end cash balances. The Board budgeted a $10,000 transfer from the General Fund in 2019, but the estimated ending cash balance at June 30, 2019, for the Park Fund was ($37,861).

Section 67.010, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year, outlines the various information to be included in the budget, and prohibits deficit budgeting. A complete and well-planned budget, in addition to meeting statutory requirements, can serve

as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and informing the public about city operations and current finances.

Recommendation

The Board of Aldermen prepare accurate annual budgets that contain all information required by state law and discontinue approving deficit budgets.

Auditee's Response

The Board commits to adding the items noted to its annual budget and will discontinue approving deficit budgets in the future.

8. City Library

Property taxes received by the city for the library are not distributed timely to the Library Board and the library's annual report was not timely filed with the city.

City library property tax receipts are held in the custody of both the city and the Library Board. The city receives the library's property tax distribution from the Caldwell County Collector monthly but only distributes the money to the Library Board twice a year. As of May 1, 2018, the city was holding $36,830 due to the library. This money should be disbursed to the Library Board monthly, in accordance with state law. The Library Board maintains its own bank accounts and approves and pays bills associated with operating the library.

In addition, state law requires the librarian file an annual report with the Library Board stating the condition of the library and its services, all amounts received and from what sources, and the amount of money spent and for what purpose. This report is to be filed with the Board of Aldermen and the State Library. The report for the year ending June 30, 2017 was not filed with the city as required. After we discussed this issue with city officials, they received the fiscal year 2017 report from the Library Board.

Section 182.200, RSMo, provides all monies received by the city for a city library shall be disbursed to the Library Board Treasurer at least monthly. In addition, Section 182.210, RSMo, states the librarian, within 8 weeks after the close of the fiscal year, shall make an annual report stating the condition of the library and its services on the last day of the fiscal year, the various sums of money received from the library fund and from other sources, and how the moneys have been expended and for what purposes. This report shall be submitted to the governing body of the city.

Recommendation

The Board of Aldermen ensure all monies received for the library are disbursed monthly and the annual report is filed with the city as required.

Auditee's Response

The Board has already implemented a policy to disburse library tax monies received to the Library Fund on a monthly basis.

The Board commits to requiring the City Librarian to file the report timely with the City Clerk.

Auditee's Overall Response

The city appreciates that the auditor's findings did not find any fraud, embezzlement, or other similar loss of funds. Additionally, almost all of the findings are to assist the City of Hamilton Board of Aldermen and city staff in improving its operations and controls, which the Board is committed to implement within a reasonable time.

City of Hamilton
Organization and Statistical Information

The City of Hamilton is located in Caldwell County. The city was incorporated in 1868 and is currently a fourth-class city. The city employed 11 full-time and 3 part-time employees on June 30, 2017.

City operations include utilities (water, sewer and trash), law enforcement services, street maintenance, and recreational facilities (parks and pool).

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2017, are identified below. The Mayor is paid $450 per month, and Board of Aldermen members $150 per month. The compensation of these officials is established by ordinance.

Winford Gilliam, Mayor
Travis Trosper, Alderman (1)
Cameron Fast, Alderman
Danny Alexander, Alderman
Sherria Kavanaugh, Alderwoman (2)

(1) Travis Trosper resigned in October 2018 and Misty Doan was appointed to this position in November 2018.

(2) Replaced by Keith Gilbert who was elected in April 2018.

Other Principal Officials

The City Administrator and City Clerk are appointed positions. The city's principal officials at June 30, 2017, are identified below:

Jean Van Iperen, City Administrator
Debra Davis, City Clerk (1)
Robert Cowherd, City Attorney
April Locke, Police Chief

(1) Debra Davis resigned in October 2018 and was replaced by Crystal Dorrel in November 2018.

Financial Activity

Appendix A and B present a summary of the city's financial activity for the year ended June 30, 2017. We obtained this information from the city's audited financial statements.

Appendix A

City of Hamilton, Missouri
Combined Statement of Revenues, Expenditures and Changes in Net Position
All Government Fund Types
For the Year Ended June 30, 2017

	Governmental Fund Types			Totals Primary Government
	General Fund	Special Revenue Fund	Debt Service Fund	(Memorandum Only)
Revenues:				
Property taxes	$ 134,676	$ 40,625	$ 66,069	$ 241,370
Franchise taxes	105,711	-	-	105,711
Intergovernmental	-	72,528	-	72,528
Rent	2,310	-	-	2,310
Interest income	898	457	410	1,765
Administrative fees	36,547	-	-	36,547
Sales taxes	233,845	229,340	-	463,185
Licenses, permits & fees	13,035	10,214	-	23,249
Library	701	-	-	701
Operations	-	56,904	-	56,904
Bond proceeds	-	-	116,395	116,395
Grant proceeds	-	73,360	-	73,360
Other	9,923	5,783	-	15,706
Total revenues	537,646	489,211	182,874	1,209,731
Expenditures:				
General funds:				
General operations	222,048	-	-	222,048
Police department	259,712	-	-	259,712
Library	1,784	-	-	1,784
Museum	6,599	-	-	6,599
Debt service	-	-	92,263	92,263
Street	-	320,052	-	320,052
Park	-	119,907	-	119,907
Economic development	-	4,149	-	4,149
Municipal court	-	5,447	-	5,447
Total expenditures	490,143	449,555	92,263	1,031,961
Excess (deficiency) of revenues over (under) expenditures	47,503	39,656	90,611	177,770
Other financing sources (uses)				
Operating transfers in	3,138	52,100	-	55,238
Operating transfers out	(52,100)	(3,138)	-	(55,238)
Total other financing sources (uses)	(48,962)	48,962	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(1,459)	88,618	90,611	177,770
Net position, July 1, 2016	143,852	120,615	81,983	346,450
Net position, June 30, 2017	$ 142,393	$ 209,233	$ 172,594	$ 524,220

The accompanying notes to the basic financial statements are an integral part of this statement.

Combined Statement of Revenues, Expenses and Changes in Net Position- All Proprietary Funds For the Year Ended June 30, 2017

	Combined Water & Sewer Funds
Operating revenues:	
Charges for services	$ 1,021,497
Taxes	213,033
Penalties and connections	1,400
Other	2,275
Total operating revenues	1,238,205
Operating expenses:	
Depreciation	164,981
Salaries and benefits	120,805
Material and supplies	154,181
Professional services	(5,892)
Solid waste	107,614
Repairs and maintenance	209,634
Other operating expenses	71,962
Total operating expenses	823,285
Operating income	414,920
Nonoperating revenues (expenses):	
Grant income	216,014
Interest income	2,487
Interest expense & fiscal charges	(39,589)
Total nonoperating revenues	178,912
Income before operating transfers	593,832
Operating transfers:	
Operating transfers out	-
Total operating transfers	-
Net income	593,832
Net position, July 1, 2016	3,021,381
Net position, June 30, 2017	$ 3,615,213

The accompanying notes to the basic financial statements are an integral part of this statement.

Office of Missouri State Auditor

Nicole Galloway, CPA

Monthly Report on Political Subdivision Filings December 2018

Report No. 2019-006
January 2019

auditor.mo.gov

Monthly Report on Political Subdivision Filings
December 2018
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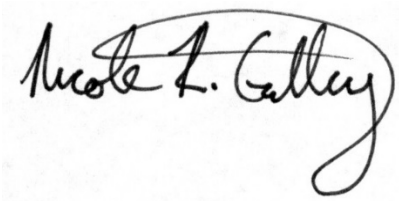
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 341 political subdivisions required to file a financial report by December 31, 2018, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in December 2018, after their filing deadline. The filing status for these 12 entities is presented in summary on page 3 and by individual entity in Appendix B-E.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings
December 2018
Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions.

15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 341 political subdivisions, other than cities, towns, and villages, with a fiscal year end of June 30, 2018. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 341 political subdivisions, 245 filed an annual financial report by December 31, 2018.

This report also includes the filing status for 12 political subdivisions, other than cities, towns, and villages, that filed their financial report in December 2018, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	Andrew County NHD	Yes	October 19, 2018
Atchison	Benton Township & Rock Creek DD	No	
	Lewis Drainage District	Yes	August 6, 2018
	West Langdon Drainage District	No	
Barry	Barry County 911 Board	Yes	December 5, 2018
	Barry-Lawrence County PLD	Yes	November 20, 2018
Bates	PWSD 7 Bates County	Yes	October 11, 2018
Benton	Good Samaritan NHD	Yes	September 25, 2018
	Lincoln Community NHD	No	
Boone	Hartsburg Levee District	Yes	November 19, 2018
Buchanan	2317 Belt CID	No	
	American Electric Lofts CID	Yes	December 31, 2018
	Belt Highway & Beck Road CID	Yes	September 6, 2018
	Commons CID	No	
	Cook Crossings CID	No	
	East Hills CID	Yes	November 1, 2018
	Rolling Hills Consolidated PLD	No	
	St. Joseph Downtown CID	No	
	St. Joseph Public Library District	Yes	November 16, 2018
	Tuscany Village CID	No	
Butler	East Butler County Sewer District	Yes	October 25, 2018
Caldwell	Caldwell County Ambulance District	No	
	Hamilton Public Library District	Yes	June 28, 2018
Camden	Camden County Ambulance District	No	
	Cam-MO Ambulance District	Yes	November 9, 2018
Cape Girardeau	Cape Dogwood CID	Yes	October 29, 2018
	Cape Girardeau Library District	Yes	December 19, 2018
	Downtown Cape Girardeau CID	Yes	October 29, 2018
	Midamerica Crossings TDD	Yes	October 29, 2018
	North Cape County Rural FPD	Yes	August 17, 2018
	PWSD 2 Cape Girardeau County	Yes	November 26, 2018
	PWSD 5 Cape Girardeau County	Yes	August 14, 2018
	Town Plaza Crossing CID	No	
Carroll	Big Creek Watershed Subdistrict	Yes	November 28, 2018
	Sugartree Drainage District	Yes	July 14, 2018
Carter	Ellsinore Herren Avenue CID	Yes	December 24, 2018
	Ellsinore Rural FPD	No	
Cass	Dikeland Sewer District	Yes	August 3, 2018
	Mullendike Sewer District	Yes	August 16, 2018
	PWSD 11 Cass County	Yes	December 10, 2018
Chariton	Chariton County Ambulance District	No	
Christian	Ozark Centre TDD	Yes	October 24, 2018
Clark	Clark County NHD	No	
	Northeast Missouri Library District	No	
Clay	Claycomo SRD Clay County	Yes	August 18, 2018
	Eastern Clay Ambulance District	Yes	September 12, 2018
	Meadowbrook Village CID	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	New Liberty Hospital District	Yes	December 21, 2018
	North Kansas City Levee District	Yes	December 24, 2018
	PWSD 2 Clay County	Yes	October 10, 2018
	Williams Creek WSD	No	
Clinton	Consolidated PWSD 4 Clinton County	Yes	September 17, 2018
Crawford	North Crawford Ambulance District	Yes	August 29, 2018
Dade	Dade County NHD	Yes	November 28, 2018
Daviess	Community Ambulance District	Yes	December 21, 2018
	Pattonsburg Rescue & FPD	Yes	August 27, 2018
	West Fork of Big Creek WSD	Yes	August 28, 2018
DeKalb	Grindstone-Lost-Muddy-Creek WSD	Yes	July 20, 2018
Dent	Salem Memorial Hospital District	No	
	Salem Public Library District	No	
Dunklin	Consolidated DD 2 Dunklin County	Yes	December 12, 2018
	Dunklin County Sewer District	No	
Franklin	Berger Levee District	Yes	July 26, 2018
	East Main & Highway 47 CID	No	
	East Osage CID	Yes	December 17, 2018
	Osage Commercial Area CID	Yes	December 17, 2018
	Scenic Regional Library District	Yes	December 28, 2018
	Sullivan SRD Franklin County	Yes	August 30, 2018
	Union CID	Yes	August 21, 2018
	Union SRD Franklin County	Yes	August 17, 2018
	Viaduct Commercial Area CID	Yes	December 17, 2018
Gentry	Albany Community FPD	No	
	Albany Public Library District	No	
	Stanberry Rural FPD	Yes	July 11, 2018
Greene	Airport Plaza CID	Yes	September 5, 2018
	Brentwood N/S CID	Yes	October 24, 2018
	College Station CID	Yes	September 27, 2018
	College Station TDD	Yes	September 27, 2018
	Commercial Street CID	No	
	Convention & Entertainment CID	Yes	September 27, 2018
	Downtown Springfield CID	Yes	August 14, 2018
	East-West Arterial TDD	Yes	December 20, 2018
	Glenstone Marketplace CID	Yes	October 29, 2018
	James River Commons CID	No	
	Northwest Area CID	No	
	Springfield Plaza CID	Yes	December 13, 2018
	Springfield-Greene County PLD	Yes	December 5, 2018
Grundy	Grundy County NHD	Yes	November 5, 2018
Harrison	East Fork of Big Creek Subdistrict	No	
	Panther Creek Watershed Subdistrict	No	
	West Fork of Big Creek Subdistrict	No	
Henry	Harry S. Truman PWSD 2 Henry County	Yes	November 27, 2018
	PWSD 4 Henry County	No	
Holt	Forest City Levee District	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Mound City Public Library District	Yes	August 31, 2018
	Mound City Rural FPD	Yes	October 31, 2018
	Oregon Public Library District	Yes	December 10, 2018
Howell	Mountain View-Summersville AD	Yes	July 22, 2018
Jackson	23rd & Sterling CID	Yes	July 23, 2018
	740 NW Blue Parkway CID	Yes	August 17, 2018
	Arrowhead CID	Yes	September 27, 2018
	Atherton Levee District	Yes	October 5, 2018
	Blue Parkway & Colbern Road CID	Yes	December 20, 2018
	Crackerneck Center CID	Yes	October 23, 2018
	Crackerneck Creek TDD	Yes	December 21, 2018
	Downtown Lee's Summit CID	No	
	Hartman Heritage Center CID	Yes	October 29, 2018
	Highway 50 & Todd George CID	Yes	August 30, 2018
	I-470 & View High CID	No	
	I-470 CID	Yes	October 17, 2018
	I-470 Western Gateway TDD	Yes	December 20, 2018
	Independence Events Center CID	Yes	December 21, 2018
	Kansas City Public Library District	Yes	December 27, 2018
	Marketplace Shopping Center CID	Yes	December 3, 2018
	Mid Continent Library District	Yes	September 13, 2018
	Noland Road CID	Yes	December 18, 2018
	Pine Tree CID	Yes	October 29, 2018
	PWSD 17 Jackson County	Yes	September 27, 2018
	Raintree 150 Center CID	No	
	Southwest I-470 TDD	Yes	December 20, 2018
	Stone Canyon CID	No	
	Summit Fair CID	Yes	December 31, 2018
	Thirty-Ninth Street TDD	Yes	December 4, 2018
Jasper	Carthage Public Library District	Yes	December 3, 2018
	Carthage SRD Jasper County	Yes	August 15, 2018
	Joplin SRD Newton-Jasper County	Yes	November 21, 2018
	Peachtree Village CID	No	
Jefferson	Hillsboro SRD Jefferson County	No	
	McNutt Retail Corridor CID	Yes	October 29, 2018
	Peach Tree CID	Yes	October 18, 2018
	PWSD 1 Jefferson County	Yes	December 20, 2018
	PWSD 10 Jefferson County	Yes	December 18, 2018
Johnson	Johnson County Community Health	Yes	December 17, 2018
	South Fork of Blackwater WSD	Yes	November 29, 2018
	Trails Consolidated PLD	Yes	September 24, 2018
Laclede	Fountains CID	Yes	December 20, 2018
	Lebanon Marketplace CID	Yes	October 29, 2018
	Southdale Center CID	Yes	October 24, 2018
Lafayette	Concordia FPD	No	
	Corder FPD	Yes	November 26, 2018
	Little Sni A Bar WSD	Yes	August 28, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Lafayette	Tabo Creek Watershed Subdistrict	Yes	August 28, 2018
	Wellington Napoleon WSD	Yes	August 28, 2018
Lewis	Canton Public Library District	Yes	November 30, 2018
	Canton SRD Lewis County	No	
	Dickerson SRD Lewis County	No	
Lincoln	Lincoln County Health Department	No	
	Lincoln Crossing CID	Yes	October 24, 2018
Linn	Brookfield Carnegie PLD	Yes	July 18, 2018
	East Yellow Creek WSD	No	
	Linneus FPD	Yes	July 10, 2018
Livingston	Green Township FPD	No	
Macon	Macon County NHD	No	
Marion	Hannibal Free Library District	No	
Miller	Osage National TDD	Yes	June 7, 2018
Mississippi	Levee District 3 Mississippi County	Yes	July 17, 2018
	St. Johns Levee & Drainage District	Yes	December 8, 2018
Monroe	Madison SRD Monroe County	Yes	December 4, 2018
Montgomery	Tri County Levee District	Yes	November 1, 2018
	Wellsville FPD	Yes	December 10, 2018
Morgan	Golden Age NHD 1	Yes	October 23, 2018
	Good Shepherd NHD	Yes	December 4, 2018
New Madrid	Drainage District 28 New Madrid County	Yes	July 13, 2018
	New Madrid County PID	Yes	December 13, 2018
	PWSD 1 New Madrid County	Yes	December 18, 2018
Newton	Lost Creek Watershed Subdistrict	No	
Nodaway	102 River Tributaries Subdistrict	Yes	October 2, 2018
	Barnard FPD	Yes	July 7, 2018
	Hoover Frankum WSD	Yes	October 2, 2018
	Mill Creek Watershed Subdistrict	Yes	October 10, 2018
	Mozingo Creek Watershed Subdistrict	Yes	October 2, 2018
	West Nodaway FPD	No	
Pemiscot	Caruthersville Library District	No	
	Consolidated Drainage District 1	No	
	Consolidated Drainage District 3	No	
	Hayti-Ventures CID	No	
	Steele Public Library District	Yes	July 24, 2018
Perry	Bois Brule D&LD	Yes	August 28, 2018
Pettis	Boonslick Regional Library District	Yes	September 25, 2018
Phelps	Rolla Free Public Library District	No	
Pike	Pike County Memorial Hospital	No	
Platte	Northmoor Associates CID	No	
	Riverside Gateway Crossing CID	No	
	Riverside-Quindaro Bend LD	Yes	December 21, 2018
	Tracy Highlands TDD	No	
Pulaski	PWSD 3 Pulaski County	Yes	August 22, 2018
Putnam	Putnam County Memorial Hospital	Yes	December 17, 2018
	PWSD 1 Putnam County	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Ralls	Highway 61 CID	No	
Randolph	Downtown Moberly CID	Yes	October 25, 2018
	Meadow Ridge CID	Yes	October 24, 2018
	Moberly Crossings CID	Yes	October 24, 2018
Ray	Lawson SRD Ray County	Yes	August 29, 2018
	Ray County Ambulance District	No	
	Willow Creek Watershed Subdistrict	Yes	August 28, 2018
Ripley	Fourche Creek Watershed Subdistrict	No	
	Little Black Watershed Subdistrict	No	
Scotland	Middle Fabius River Subdistrict	Yes	August 1, 2018
	Scotland County Memorial Hospital	Yes	December 26, 2018
	Scotland County NHD	Yes	December 10, 2018
Scott	Sikeston FPD	Yes	August 30, 2018
Shelby	Clarence NHD	No	
	Clarence Public Library District	Yes	December 18, 2018
	Shelbina Carnegie Library District	No	
St. Charles	Consolidated North County LD	No	
	Hawk Ridge TDD	Yes	December 26, 2018
	Lakeside 370 Levee District	Yes	December 5, 2018
	South Ridge TDD	Yes	October 24, 2018
	St. Charles City-County PLD	Yes	December 12, 2018
	Zumbehl Road/Highway 94 CID	No	
St. Clair	Appleton City Library District	Yes	December 4, 2018
	St. Clair County Hospital District 1	No	
St. Louis	10700 Pear Tree Lane CID	Yes	October 24, 2018
	10700 Pear Tree Lane TDD	Yes	October 25, 2018
	370/MO Bottom Road/Taussig Road CID	Yes	August 30, 2018
	Arbors of Rockwood CID	Yes	October 24, 2018
	Berkeley-North Park CID	Yes	October 31, 2018
	Brentwood Boulevard/Clayton Road CID	Yes	September 9, 2018
	Brentwood Boulevard/Clayton Road TDD	Yes	September 9, 2018
	Bridgeton Levee Subdistrict	No	
	Cheshire CID	Yes	October 24, 2018
	Crossings at Richmond Heights CID	Yes	August 20, 2018
	Deer Creek Center CID	Yes	September 21, 2018
	Delmar/Delcrest CID	No	
	Earth City Levee District	Yes	December 5, 2018
	Eureka Old Town TDD	Yes	October 24, 2018
	Eureka Pointe CID	Yes	October 24, 2018
	Ferguson Municipal Library District	Yes	November 27, 2018
	Hadley Township South 2 CID	Yes	October 29, 2018
	Hazelwood Commerce Center CID	Yes	October 31, 2018
	Hazelwood Levee Subdistrict	Yes	December 5, 2018
	Hilltop Village Center CID	Yes	October 24, 2018
	Howard Bend Levee District	Yes	December 5, 2018
	Kirkwood Public Library District	Yes	December 21, 2018
	Lind-Litz CID	Yes	October 24, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Lind-Litz TDD	Yes	October 24, 2018
	Maplewood Public Library District	Yes	October 18, 2018
	Metropolitan SwrD St. Louis	Yes	November 21, 2018
	Missouri Bottoms LD-Bridgeton LSD	Yes	December 5, 2018
	Missouri Bottoms Levee District	Yes	December 5, 2018
	Monarch Chesterfield Levee District	Yes	December 5, 2018
	North County Festival/Square CID	No	
	Northpark-Ferguson CID	Yes	October 31, 2018
	NP Kinloch CID	Yes	December 28, 2018
	NP Kinloch CID II	Yes	October 31, 2018
	OHM Woodson Terrace CID	Yes	August 21, 2018
	OHM Woodson Terrace TDD	Yes	August 21, 2018
	Olive Boulevard TDD	No	
	Residence Inn Downtown St. Louis CID	Yes	October 24, 2018
	Riverport Levee District	Yes	December 5, 2018
	Route 141/Marshall Road CID	Yes	August 23, 2018
	St. Louis County Clean Energy Board	Yes	December 18, 2018
	Union Station CID	Yes	October 24, 2018
	Valley Park Community PLD	No	
	Webster Groves Library District	Yes	December 28, 2018
St. Louis City	1100 Washington Avenue CID	Yes	August 9, 2018
	1133 Washington Avenue CID	No	
	1201 Washington CID	Yes	August 9, 2018
	1225 Washington CID	Yes	September 4, 2018
	1225 Washington TDD	Yes	September 4, 2018
	14th & Market Street CID	Yes	October 24, 2018
	1601 S Jefferson CID	Yes	October 16, 2018
	1831/2000 Sidney Street CID	Yes	September 11, 2018
	1831/2000 Sidney Street TDD	Yes	September 11, 2018
	2017 Chouteau CID	Yes	October 25, 2018
	2118 Chouteau TDD	Yes	October 24, 2018
	212 South Grand CID	Yes	August 28, 2018
	212 South Grand TDD	Yes	August 28, 2018
	2350 South Grand CID	Yes	September 19, 2018
	4101 Laclede CID	Yes	October 24, 2018
	501 Olive CID	Yes	October 31, 2018
	501 Olive TDD	Yes	October 31, 2018
	60 Plaza Square CID	No	
	620 Market CID	Yes	November 5, 2018
	705 Olive CID	Yes	October 29, 2018
	705 Olive TDD	Yes	October 29, 2018
	840 East Taylor CID	Yes	October 16, 2018
	Armory CID	Yes	October 16, 2018
	Ballpark Village CID	No	
	Ballpark Village TDD	No	
	Bevo CID	No	
	Broadway Hotel CID	Yes	October 24, 2018

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis City	Carondelet Commons CID	Yes	October 16, 2018
	Carrie Avenue CID	Yes	October 16, 2018
	Cheshire Annex CID	Yes	October 24, 2018
	Cheshire TDD	Yes	October 24, 2018
	Chouteau Crossing CID	Yes	October 16, 2018
	City Hospital Laundry Building TDD	Yes	October 30, 2018
	City Hospital Powerhouse CID	Yes	October 30, 2018
	City Hospital Powerhouse TDD	Yes	October 30, 2018
	City Hospital RPA 2-Phase 1 CID	Yes	October 30, 2018
	Clean Energy Development Board	Yes	December 19, 2018
	Cozens/MLK/Grand CID	No	
	Crowne Plaza CID	Yes	October 25, 2018
	Cupples Station Building 9 CID	Yes	August 14, 2018
	CWE Business CID	Yes	November 1, 2018
	Downtown St. Louis CID	Yes	July 12, 2018
	Euclid South CID	No	
	Expanded Forsyth Associates CID	No	
	Georgian Square CID	Yes	October 30, 2018
	Grand Center Area CID	No	
	Grand Center Area Two CID	No	
	Grove CID	No	
	Hadley Dean Building CID	No	
	Hampton Berthold CID	No	
	Laurel CID	Yes	December 14, 2018
	Loop East CID	Yes	October 18, 2018
	Loughborough Commons CID	Yes	October 28, 2018
	Magnolia CID	Yes	September 13, 2018
	Magnolia TDD	Yes	September 13, 2018
	North Broadway Carrie CID	No	
	Orpheum Theatre CID	No	
	Park Pacific CID	Yes	September 25, 2018
	Railway Exchange Building CID	Yes	December 26, 2018
	Railway Exchange Building TDD	Yes	December 26, 2018
	Residence Inn Downtown St. Louis TDD	Yes	October 24, 2018
	Riverfront Hotel CID	Yes	September 20, 2018
	Riverside CID	No	
	Soda Fountain Square CID	No	
	South Grand CID	Yes	October 26, 2018
	St. Louis Convention Center Hotel 3 CID	Yes	October 29, 2018
	St. Louis Convention Center Hotel TDD	Yes	October 29, 2018
	Syndicate Trust CID	Yes	November 27, 2018
	Tucker & Cass CID	Yes	October 29, 2018
	Union Station TDD	Yes	October 24, 2018
	Washington Avenue TDD	Yes	August 28, 2018
Ste. Genevieve	Levee District 2 Ste. Genevieve County	Yes	October 3, 2018
	Levee District 3 Ste. Genevieve County	Yes	October 9, 2018
Stoddard	Bloomfield Public Library District	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Stoddard	Common Sewer District 1 Stoddard County	Yes	August 21, 2018
	PWSD 1 Stoddard County	No	
Sullivan	PWSD 1 Sullivan County	Yes	October 5, 2018
Vernon	Nevada Public Library District	No	
	Vernon County Ambulance District	No	
Warren	Missouri Valley Levee District	Yes	July 26, 2018
	Warrenton Commons CID	Yes	October 30, 2018
Webster	Webster County NHD	No	
Worth	East Fork of Grand River WSD	Yes	June 15, 2018
	PWSD 1 Worth County	No	
	Sheridan FPD	Yes	October 4, 2018
	Worth County Convalescent Center District	No	
Total Filed		245	
Total Not Filed		96	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
D&LD	Drainage and Levee District
DD	Drainage District
FPD	Fire Protection District
LD	Levee District
LSD	Levee Subdistrict
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District
WSD	Watershed District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in December 2018

Fiscal Year Ended December 31, 2017

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Callaway	Capital View Drainage District	Yes	December 26, 2018
Montgomery	Middletown Community FPD	Yes	December 13, 2018
Ripley	Doniphan SRD Ripley County	Yes	December 28, 2018
Stoddard	Stoddard County 911 Board	Yes	December 12, 2018
Taney	Branson Creek CID	Yes	December 21, 2018
Total Filed		5	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
SRD	Special Road District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due August 31, 2018
Filed in December 2018

Fiscal Year Ended February 28, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Barton	Golden City Volunteer FPD	Yes	December 13, 2018
Total Filed		1	

Acronyms:
FPD Fire Protection District

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in December 2018

Fiscal Year Ended April 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	Shoal Creek Valley CID	Yes	December 5, 2018
Jasper	Briarbrook CID	Yes	December 12, 2018
Mississippi	St. James Drainage District	Yes	December 4, 2018
New Madrid	Drainage District 38 New Madrid County	Yes	December 12, 2018
Total Filed		4	

Acronyms:

CID	Community Improvement District

Office of Missouri State Auditor

Nicole Galloway, CPA

Monthly Report on Municipal Court and Revenue Filings December 2018

Report No. 2019-005

January 2019

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings
December 2018
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NICOLE GALLOWAY, CPA
Missouri State Auditor

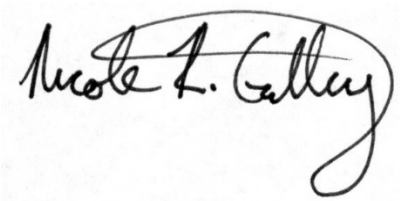
Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by December 31, 2018, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 260 cities, 5 towns, and 65 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in December 2018, after their filing deadline. The filing status for these 7 cities and 1 village is presented in summary on pages 4 and by individual entity in Appendixes B to F.



Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at http://auditor.mo.gov.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of $500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than $5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 260 cities, 5 towns, and 65 villages with a fiscal year end of June 30, 2018, whose financial reports, addendums, or certifications were due by December 31, 2018. Of the 330 municipalities required to file an annual financial report, 228 filed the report timely. Of the 230 municipalities required to file an addendum, 93 filed an addendum timely and 2 filed an addendum for a partial fiscal year. Of the 123 municipalities required to file a certification, 61 filed a certification timely and 1 filed a certification for a partial fiscal year.

This report includes the filing status for 7 cities and 1 village that filed at least one of the items (financial report, addendum, or certification) in December 2018, after their filing deadline. Of these entities, 7 filed an annual financial report and 1 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	City of Novinger	Yes	December 27, 2018	n/a	n/a
Andrew	City of Amazonia	Yes	November 5, 2018	n/a	n/a
Atchison	City of Westboro	Yes	July 10, 2018	n/a	n/a
Audrain	City of Laddonia	Yes	November 19, 2018	No	n/a
	Village of Vandiver	Yes	July 2, 2018	n/a	n/a
Barry	City of Purdy	Yes	December 6, 2018	Yes	Yes
	City of Washburn	No		Yes	Yes
Barton	City of Lamar	Yes	November 20, 2018	Yes	n/a
	City of Mindenmines	Yes	December 27, 2018	n/a	n/a
	Village of Milford	Yes	October 2, 2018	n/a	n/a
Bates	City of Adrian	No		No	n/a
	City of Amsterdam	Yes	July 17, 2018	n/a	n/a
Bollinger	City of Marble Hill	Yes	December 13, 2018	No	n/a
Boone	City of Hallsville	Yes	December 14, 2018	Yes	n/a
	City of Rocheport	No		n/a	n/a
	City of Sturgeon	Yes	October 24, 2018	No	n/a
	Town of Huntsdale	No		n/a	n/a
	Village of Hartsburg	Yes	October 31, 2018	n/a	n/a
Buchanan	City of St. Joseph	No		No	No
Butler	City of Fisk	No		No	n/a
	City of Qulin	Yes	July 17, 2018	No	n/a
Caldwell	City of Braymer	Yes	September 20, 2018	No	n/a
	City of Breckenridge	Yes	September 5, 2018	n/a	n/a
	City of Cowgill	Yes	July 24, 2018	n/a	n/a
	City of Hamilton	Yes	December 28, 2018	No	n/a
Callaway	Village of Kingdom City	Yes	November 19, 2018	n/a	n/a
Camden	City of Linn Creek	No		No	n/a
	City of Stoutland	Yes	July 11, 2018	n/a	n/a
Cape Girardeau	City of Cape Girardeau	Yes	December 20, 2018	Yes	Yes
	City of Delta	No		Yes	n/a
	Village of Oak Ridge	Yes	November 21, 2018	n/a	n/a
	Village of Whitewater	No		Yes	n/a
Carroll	City of Bogard	Yes	December 27, 2018	No	n/a
	City of De Witt	No		No	n/a
Carter	City of Ellsinore	Yes	July 18, 2018	No	n/a
Cass	City of Archie	No		No	n/a
	City of Cleveland	Yes	December 12, 2018	No	n/a
	City of Creighton	Yes	December 26, 2018	No	n/a
	City of Freeman	Yes	December 11, 2018	No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Garden City	No		No	No
	City of Lake Annette	No		No	n/a
Cass	Village of Baldwin Park	No		n/a	n/a
	Village of Loch Lloyd	Yes	November 14, 2018	n/a	n/a
Cedar	Village of Jerico Springs	Yes	November 5, 2018	No	n/a
Chariton	City of Brunswick	Yes	December 18, 2018	No	n/a
	City of Keytesville	Yes	September 11, 2018	No	n/a
	City of Salisbury	Yes	December 21, 2018	Yes	n/a
	Village of Dalton	Yes	December 17, 2018	n/a	n/a
Christian	City of Clever	Yes	October 17, 2018	No	Yes
	City of Highlandville	Yes	December 7, 2018	No	No
	City of Sparta	Yes	November 28, 2018	No	No
Clark	City of Alexandria	Yes	December 5, 2018	n/a	n/a
	City of Wayland	Yes	July 19, 2018	n/a	n/a
Clay	City of Gladstone	Yes	December 20, 2018	Yes	Yes
	City of Pleasant Valley	Yes	December 12, 2018	Yes	Yes
	Village of Birmingham	Yes	October 9, 2018	No	n/a
Clinton	City of Gower	No		Yes	Yes
	City of Lathrop	Yes	December 20, 2018	No	No
	City of Plattsburg	Yes	October 17, 2018	No	No
Cole	City of St. Thomas	Yes	August 7, 2018	n/a	n/a
	City of Taos	No		No	n/a
Cooper	City of Bunceton	Yes	October 10, 2018	No	n/a
	City of Prairie Home	Yes	August 6, 2018	Yes	n/a
	Village of Wooldridge	Yes	December 20, 2018	Yes	n/a
Crawford	City of Bourbon	Yes	December 26, 2018	Yes	n/a
	City of Cuba	Yes	December 17, 2018	Yes	Yes
	City of Steelville	No		No	n/a
	Village of St. Cloud	No		n/a	n/a
Dade	City of Everton	Yes	November 16, 2018	No	n/a
	City of Greenfield	Yes	September 19, 2018	No	No
	City of Lockwood	Yes	December 11, 2018	No	n/a
Dallas	City of Urbana	No		Yes	Yes
	Village of Louisburg	No		n/a	n/a
Daviess	City of Coffey	Yes	July 23, 2018	n/a	n/a
	City of Jamesport	Yes	December 28, 2018	No	n/a
	City of Pattonsburg	Yes	August 27, 2018	No	n/a
	Village of Altamont	No		No	n/a
DeKalb	City of Clarksdale	Yes	July 18, 2018	No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Maysville	No		No	n/a
	Village of Amity	Yes	December 31, 2018	n/a	n/a
	Village of Weatherby	Yes	November 29, 2018	No	No
Dent	City of Salem	No		No	n/a
Douglas	City of Ava	Yes	December 13, 2018	Yes	Yes
Dunklin	City of Arbyrd	Yes	November 14, 2018	No	No
	City of Campbell	Yes	December 19, 2018	No	No
	City of Clarkton	Yes	August 8, 2018	Yes	No
	City of Holcomb	No		No	No
	City of Kennett	Yes	December 19, 2018	No	No
	City of Malden	No		Yes	Yes
	City of Senath	Yes	December 7, 2018	No	No
Franklin	City of Berger	Yes	September 28, 2018	Yes	n/a
	City of New Haven	Yes	December 31, 2018	Yes	Yes
	City of Pacific	Yes	December 21, 2018	Yes	Yes
	City of Union	Yes	December 6, 2018	Yes	Yes
	Village of Parkway	Yes	November 28, 2018	n/a	n/a
Gasconade	City of Bland	Yes	November 23, 2018	No	No
	City of Gasconade	No		No	n/a
	City of Hermann	Yes	December 19, 2018	Yes	Yes
	City of Morrison	Yes	September 18, 2018	n/a	n/a
	City of Owensville	Yes	December 18, 2018	No	No
	City of Rosebud	Yes	November 5, 2018	Partial	n/a
Gentry	City of Albany	No		No	n/a
	City of King City	No		No	n/a
	Village of Darlington	No		n/a	n/a
Greene	City of Ash Grove	Yes	November 6, 2018	No	No
	City of Battlefield	Yes	December 10, 2018	No	No
	City of Fair Grove	Yes	September 21, 2018	No	Yes
	City of Springfield	Yes	December 20, 2018	Yes	Yes
Grundy	City of Galt	Yes	October 23, 2018	n/a	n/a
	Village of Brimson	Yes	August 6, 2018	n/a	n/a
Harrison	Village of Mount Moriah	Yes	August 8, 2018	n/a	n/a
Henry	Village of Brownington	Yes	August 2, 2018	n/a	n/a
Hickory	City of Hermitage	Yes	September 21, 2018	n/a	n/a
	City of Weaubleau	Yes	October 19, 2018	n/a	n/a
	City of Wheatland	Yes	October 17, 2018	n/a	n/a
Holt	City of Craig	No		No	n/a
	City of Mound City	Yes	December 28, 2018	No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	Village of Big Lake	Yes	October 3, 2018	n/a	n/a
	Village of Bigelow	Yes	December 31, 2018	n/a	n/a
Howard	City of Fayette	No		No	n/a
	City of Franklin	Yes	November 26, 2018	No	No
	City of Glasgow	Yes	December 27, 2018	No	n/a
	City of New Franklin	Yes	June 25, 2018	No	n/a
Howell	City of Mountain View	No		No	No
Iron	City of Arcadia	Yes	October 26, 2018	Yes	n/a
	City of Ironton	Yes	December 27, 2018	No	n/a
	City of Pilot Knob	Yes	August 23, 2018	Yes	n/a
	City of Viburnum	Yes	July 6, 2018	No	n/a
Jackson	City of Greenwood	No		Yes	Yes
	City of Independence	Yes	December 21, 2018	Yes	Yes
	City of Lake Tapawingo	Yes	December 28, 2018	No	n/a
	City of Lee's Summit	Yes	December 27, 2018	Yes	Yes
	City of Lone Jack	Yes	December 28, 2018	Yes	Yes
Jasper	City of Alba	Yes	November 13, 2018	n/a	n/a
	City of Carthage	Yes	December 26, 2018	Yes	Yes
	City of La Russell	Yes	October 2, 2018	n/a	n/a
	City of Neck City	Yes	October 7, 2018	n/a	n/a
	City of Oronogo	Yes	December 5, 2018	Yes	Yes
	City of Waco	No		n/a	n/a
	Town of Brooklyn Heights	Yes	November 20, 2018	n/a	n/a
Jefferson	City of Byrnes Mill	No		Yes	No
	City of Herculaneum	Yes	December 28, 2018	Yes	Yes
	City of Hillsboro	No		No	No
	City of Olympian Village	No		n/a	n/a
Johnson	City of Holden	No		No	n/a
Knox	City of Hurdland	No		n/a	n/a
Laclede	City of Lebanon	Yes	December 11, 2018	Yes	Yes
	Village of Evergreen	No		n/a	n/a
Lafayette	City of Corder	Yes	July 11, 2018	No	n/a
	City of Waverly	Yes	August 1, 2018	Yes	Yes
	City of Wellington	Yes	August 24, 2018	No	n/a
	Village of Aullville	No		n/a	n/a
Lawrence	City of Miller	Yes	October 12, 2018	Partial	Partial
Lewis	City of Canton	Yes	November 20, 2018	Yes	n/a
	City of Ewing	Yes	August 8, 2018	n/a	n/a
	City of Lewistown	No		n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	Village of Monticello	No		n/a	n/a
Lincoln	City of Troy	Yes	December 19, 2018	Yes	No
Livingston	City of Chula	No		n/a	n/a
	Village of Mooresville	No		n/a	n/a
Macon	City of Bevier	Yes	December 28, 2018	n/a	n/a
	City of Callao	Yes	December 31, 2018	Yes	n/a
	City of La Plata	Yes	July 24, 2018	No	n/a
Madison	Village of Cobalt City	No		n/a	n/a
Maries	City of Belle	No		Yes	n/a
	City of Vienna	Yes	September 12, 2018	Yes	n/a
Marion	City of Hannibal	Yes	December 18, 2018	No	Yes
Mercer	City of Mercer	No		No	n/a
Miller	City of Bagnell	No		n/a	n/a
	Village of Brumley	Yes	December 28, 2018	n/a	n/a
Mississippi	City of Bertrand	No		No	n/a
	Village of Wilson City	No		n/a	n/a
Moniteau	City of Clarksburg	Yes	July 25, 2018	No	n/a
Monroe	City of Madison	No		No	n/a
Montgomery	City of Middletown	No		No	n/a
	City of Montgomery	Yes	December 28, 2018	Yes	No
	City of New Florence	No		No	No
Morgan	City of Stover	Yes	October 15, 2018	No	n/a
	Town of Gravois Mills	No		n/a	n/a
New Madrid	City of Gideon	No		No	No
	City of Howardville	No		No	No
	City of Lilbourn	No		No	n/a
	City of Parma	No		No	No
	Village of Catron	Yes	December 11, 2018	Yes	n/a
	Village of North Lilbourn	Yes	July 5, 2018	n/a	n/a
Newton	City of Diamond	Yes	December 11, 2018	Yes	No
	City of Granby	No		No	No
	Village of Dennis Acres	Yes	July 18, 2018	n/a	n/a
	Village of Saginaw	Yes	December 10, 2018	n/a	n/a
	Village of Stark City	Yes	November 28, 2018	n/a	n/a
	Village of Stella	Yes	December 31, 2018	n/a	n/a
Nodaway	City of Arkoe	No		n/a	n/a
	City of Barnard	No		No	n/a
	City of Burlington Junction	Yes	December 26, 2018	No	n/a
	City of Elmo	Yes	August 4, 2018	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Skidmore	No		No	n/a
Oregon	City of Alton	Yes	December 19, 2018	No	n/a
	City of Koshkonong	Yes	July 24, 2018	No	n/a
	City of Thayer	Yes	December 31, 2018	No	Yes
Osage	City of Chamois	No		n/a	n/a
	City of Meta	Yes	December 10, 2018	n/a	n/a
Ozark	Village of Bakersfield	Yes	December 11, 2018	n/a	n/a
Pemiscot	City of Caruthersville	Yes	July 25, 2018	Yes	Yes
	City of Hayti	Yes	December 14, 2018	No	No
	City of Hayti Heights	Yes	June 22, 2018	Yes	Yes
Pemiscot	City of Steele	Yes	November 14, 2018	Yes	No
	Town of Cooter	No		No	No
Perry	City of Altenburg	No		n/a	n/a
	City of Frohna	Yes	October 11, 2018	n/a	n/a
	Village of Biehle	No		n/a	n/a
Pettis	City of Green Ridge	Yes	September 30, 2018	No	n/a
	City of Smithton	No		No	n/a
Phelps	City of Doolittle	No		No	n/a
	City of Newburg	Yes	October 25, 2018	Yes	Yes
Pike	City of Clarksville	Yes	December 31, 2018	No	n/a
	City of Frankford	No		No	No
Platte	City of Houston Lake	No		No	n/a
	City of Northmoor	Yes	July 5, 2018	No	No
	City of Riverside	Yes	December 6, 2018	Yes	Yes
Polk	City of Morrisville	Yes	November 1, 2018	n/a	n/a
	Village of Aldrich	Yes	December 31, 2018	n/a	n/a
	Village of Flemington	Yes	September 29, 2018	n/a	n/a
Pulaski	City of Crocker	Yes	November 14, 2018	No	No
	City of Richland	Yes	December 24, 2018	No	No
Putnam	Village of Livonia	Yes	December 17, 2018	n/a	n/a
	Village of Lucerne	No		n/a	n/a
Ralls	City of New London	No		No	n/a
	Village of Rensselaer	No		n/a	n/a
Randolph	City of Clark	Yes	September 25, 2018	No	n/a
	City of Clifton Hill	Yes	July 25, 2018	n/a	n/a
	City of Huntsville	No		No	n/a
	City of Moberly	No		No	n/a
	Village of Jacksonville	No		n/a	n/a
	Village of Renick	No		n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Ray	City of Lawson	Yes	November 26, 2018	No	No
	City of Wood Heights	Yes	November 30, 2018	No	No
	Village of Elmira	No		n/a	n/a
Reynolds	City of Bunker	Yes	December 31, 2018	Yes	n/a
	City of Ellington	No		No	n/a
Ripley	City of Doniphan	Yes	December 19, 2018	No	n/a
Saline	City of Nelson	No		n/a	n/a
	Village of Grand Pass	Yes	December 29, 2018	n/a	n/a
Scotland	Village of Granger	No		n/a	n/a
	Village of Rutledge	Yes	December 18, 2018	n/a	n/a
Scott	City of Benton	No		No	n/a
	City of Scott City	Yes	December 19, 2018	Yes	Yes
Scott	City of Sikeston	No		Yes	Yes
	Village of Blodgett	Yes	October 23, 2018	n/a	n/a
	Village of Commerce	No		n/a	n/a
	Village of Diehlstadt	Yes	November 29, 2018	n/a	n/a
	Village of Lambert	No		n/a	n/a
	Village of Vanduser	Yes	September 28, 2018	n/a	n/a
Shelby	City of Clarence	Yes	December 18, 2018	No	n/a
	City of Shelbina	No		No	n/a
	Village of Leonard	Yes	August 26, 2018	n/a	n/a
St. Charles	City of Lake St. Louis	Yes	December 6, 2018	Yes	Yes
St. Clair	City of Lowry City	Yes	July 26, 2018	Yes	n/a
	Village of Gerster	No		n/a	n/a
St. Francois	City of Bismarck	Yes	November 14, 2018	No	No
	City of Desloge	Yes	December 14, 2018	Yes	Yes
	City of Leadington	Yes	October 12, 2018	Yes	Yes
St. Louis	City of Bella Villa	Yes	December 28, 2018	No	No
	City of Bellefontaine Neighbors	Yes	December 28, 2018	Yes	Yes
	City of Berkeley	Yes	December 27, 2018	Yes	No
	City of Black Jack	Yes	November 18, 2018	Yes	Yes
	City of Calverton Park	Yes	December 28, 2018	Yes	Yes
	City of Charlack	Yes	December 5, 2018	Yes	Yes
	City of Clarkson Valley	Yes	September 25, 2018	Yes	Yes
	City of Country Club Hills	No		No	Yes
	City of Creve Coeur	Yes	December 18, 2018	No	No
	City of Edmundson	Yes	December 13, 2018	Yes	Yes
	City of Eureka	Yes	December 20, 2018	Yes	No
	City of Ferguson	Yes	December 17, 2018	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Frontenac	Yes	December 28, 2018	Yes	No
	City of Glendale	Yes	December 4, 2018	No	No
	City of Hazelwood	Yes	December 24, 2018	Yes	Yes
	City of Kinloch	Yes	December 6, 2018	Yes	n/a
	City of Maplewood	No		No	No
	City of Oakland	Yes	November 13, 2018	No	No
	City of Olivette	Yes	December 14, 2018	Yes	Yes
	City of Overland	Yes	November 27, 2018	Yes	Yes
	City of Pine Lawn	No		No	No
	City of Richmond Heights	Yes	December 31, 2018	Yes	Yes
	City of University City	No		No	No
	City of Valley Park	Yes	December 20, 2018	Yes	Yes
	City of Velda City	No		No	No
	City of Vinita Park	Yes	November 14, 2018	No	No
St. Louis	City of Warson Woods	No		Yes	Yes
	City of Webster Groves	Yes	December 6, 2018	Yes	Yes
	City of Wellston	Yes	December 31, 2018	No	No
	City of Winchester	Yes	December 12, 2018	Yes	No
	City of Woodson Terrace	Yes	October 24, 2018	Yes	No
	Town of Grantwood Village	No		No	No
	Village of Hanley Hills	Yes	December 7, 2018	No	Yes
	Village of Norwood Court	Yes	August 3, 2018	Yes	No
St. Louis City	City of St. Louis City	Yes	December 20, 2018	Yes	Yes
Stoddard	City of Bell City	Yes	December 21, 2018	No	n/a
	City of Bernie	No		No	No
	City of Bloomfield	No		No	No
	City of Dexter	No		Yes	Yes
	City of Dudley	No		n/a	n/a
	City of Essex	Yes	October 26, 2018	Yes	n/a
	City of Puxico	Yes	December 27, 2018	Yes	Yes
Stone	City of Crane	No		Yes	Yes
	City of Hurley	Yes	July 10, 2018	n/a	n/a
	Village of Blue Eye	Yes	September 11, 2018	n/a	n/a
	Village of Coney Island	No		n/a	n/a
	Village of McCord Bend	Yes	July 17, 2018	n/a	n/a
Sullivan	City of Milan	Yes	November 7, 2018	No	n/a
Taney	City of Rockaway Beach	No		No	n/a
	Village of Bull Creek	Yes	October 31, 2018	n/a	n/a
Texas	City of Cabool	Yes	December 18, 2018	Yes	Yes

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2018

Fiscal Year Ended June 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
	City of Summersville	Yes	December 28, 2018	No	No
Vernon	City of Walker	Yes	October 5, 2018	No	n/a
Warren	City of Marthasville	Yes	October 30, 2018	Yes	n/a
	City of Truesdale	Yes	December 19, 2018	Yes	n/a
	City of Warrenton	Yes	July 9, 2018	Yes	Yes
	Village of Innsbrook	Yes	October 11, 2018	Yes	n/a
Washington	City of Irondale	Yes	December 21, 2018	n/a	n/a
	City of Potosi	Yes	December 20, 2018	No	No
Wayne	City of Greenville	Yes	November 14, 2018	Yes	n/a
	City of Piedmont	Yes	November 14, 2018	Yes	n/a
	City of Williamsville	Yes	October 31, 2018	Yes	n/a
Webster	City of Fordland	Yes	December 31, 2018	No	n/a
	City of Rogersville	Yes	December 27, 2018	No	n/a
	City of Seymour	Yes	November 12, 2018	No	n/a
	Village of Diggins	Yes	November 8, 2018	n/a	n/a
Wright	City of Hartville	Yes	October 9, 2018	Yes	Yes
Wright	City of Mountain Grove	Yes	December 28, 2018	Yes	Yes
Wright	City of Norwood	Yes	October 8, 2018	n/a	n/a
Total Filed		228		93	61
Total Not Filed		102		135	61
Total Partially Filed		0		2	1
Total n/a		0		100	207

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2018
Filed in December 2018

Fiscal Year Ended December 31, 2017

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Dunklin	City of Cardwell	Yes	December 12, 2018	No	No
Shannon	City of Birch Tree	Yes	December 31, 2018	No	n/a
St. Louis	Village of Westwood	Yes	December 17, 2018	n/a	n/a
Total Filed		3		0	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2018
Filed in December 2018

Fiscal Year Ended February 28, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Pasadena Hills	**	August 23, 2018	**	Yes
Total Filed		0		0	1

** Filed by June 30, 2018.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2018
Filed in December 2018

Fiscal Year Ended March 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Boone	City of Centralia	Yes	December 7, 2018	No	n/a
Total Filed		1		0	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2018
Filed in December 2018

Fiscal Year Ended April 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Charles	City of Portage Des Sioux	Yes	December 3, 2018	n/a	n/a
St. Louis	City of Beverly Hills	Yes	December 14, 2018	**	No
Total Filed		2		0	0

** Filed by October 31, 2018.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2018
Filed in December 2018

Fiscal Year Ended May 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Pettis	City of La Monte	Yes	December 24, 2018	No	No
Total Filed		1		0	0

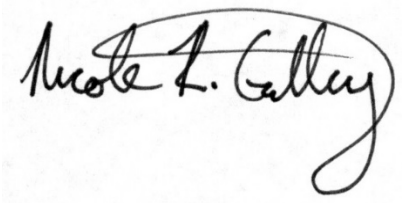
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Anne L. Precythe, Director
Department of Corrections
Jefferson City, Missouri

To address our responsibilities of Section 217.595.6, RSMo, we have audited the revenues and the expenditures of the Working Capital Revolving Fund, as part of our audit of the state's Comprehensive Annual Financial Report (CAFR), as of and for the year ended June 30, 2018, and have issued our report (Report No. 2019-003), dated January 24, 2019. The state's CAFR is comprised of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (including the Working Capital Revolving Fund) of the state of Missouri, and the related notes to the financial statements.

Our report expressed qualified audit opinions on the governmental activities and the General Fund opinion units and unmodified opinions on the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information (including the Working Capital Revolving Fund) opinion units of the state of Missouri, as of June 30, 2018.

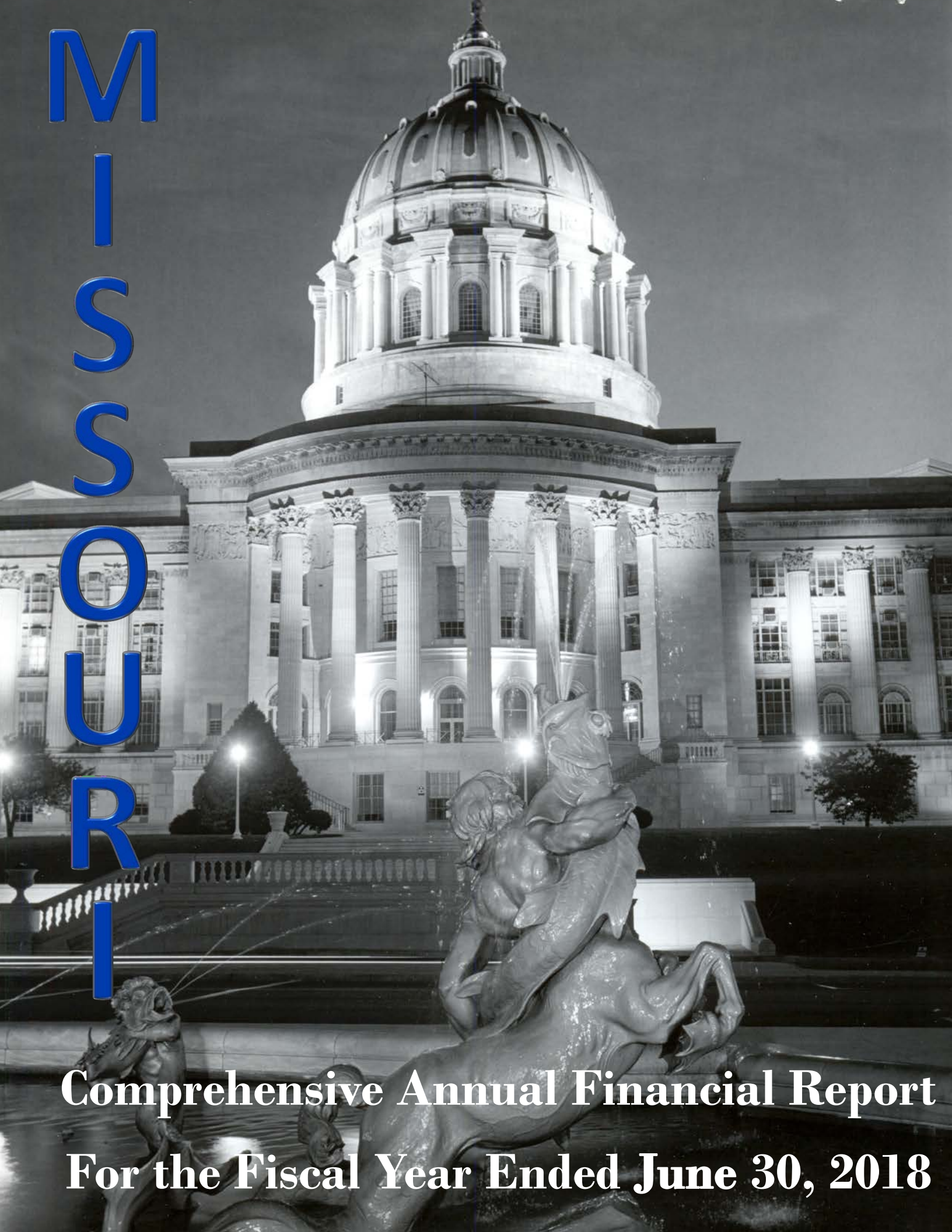
One finding resulted from our audit procedures related to the Working Capital Revolving Fund. The audit finding and management's response will be reported in the state's Single Audit report for the fiscal year ended June 30, 2018.



Nicole R. Galloway, CPA
State Auditor

January 2019
Report No. 2019-004

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018

Michael L. Parson

Governor

SARAH H. STEELMAN
Commissioner
Office of Administration

STACY NEAL
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

On the Cover:

Missouri State Capitol, Centaur Fountain, Jefferson City, Missouri, Record Group 104; Missouri State Archives.

This report can be viewed on the Internet at http://oa.mo.gov/accounting/reports

STATE OF MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2018

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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Michael L. Parson
Governor

Sarah Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
573 751-2971
INTERNET: http://www.oa.mo.gov/acct
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

January 24, 2019

The Honorable Michael L. Parson
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2018. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform guidance).

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 10, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

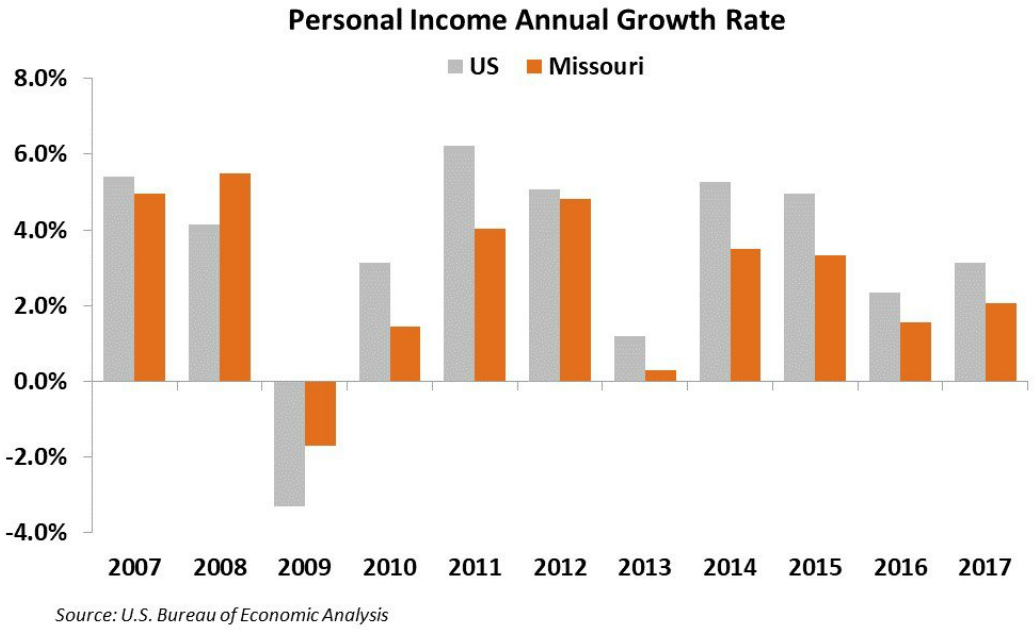
The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the program level. Expenditures cannot exceed the individual appropriation amount. The Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Article IV, Section 27 of the Missouri Constitution, amended in 2014, requires the Governor to notify the General Assembly if the Governor reduces allotments when it appears revenues will be less than estimated. This Section then gives the General Assembly the authority to overturn any of the Governor's restrictions with a two-thirds vote, similar to the procedure to overturn a veto. Unexpended appropriations lapse at the end of each fiscal year, unless reappropriated to the following budget fiscal year.

The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

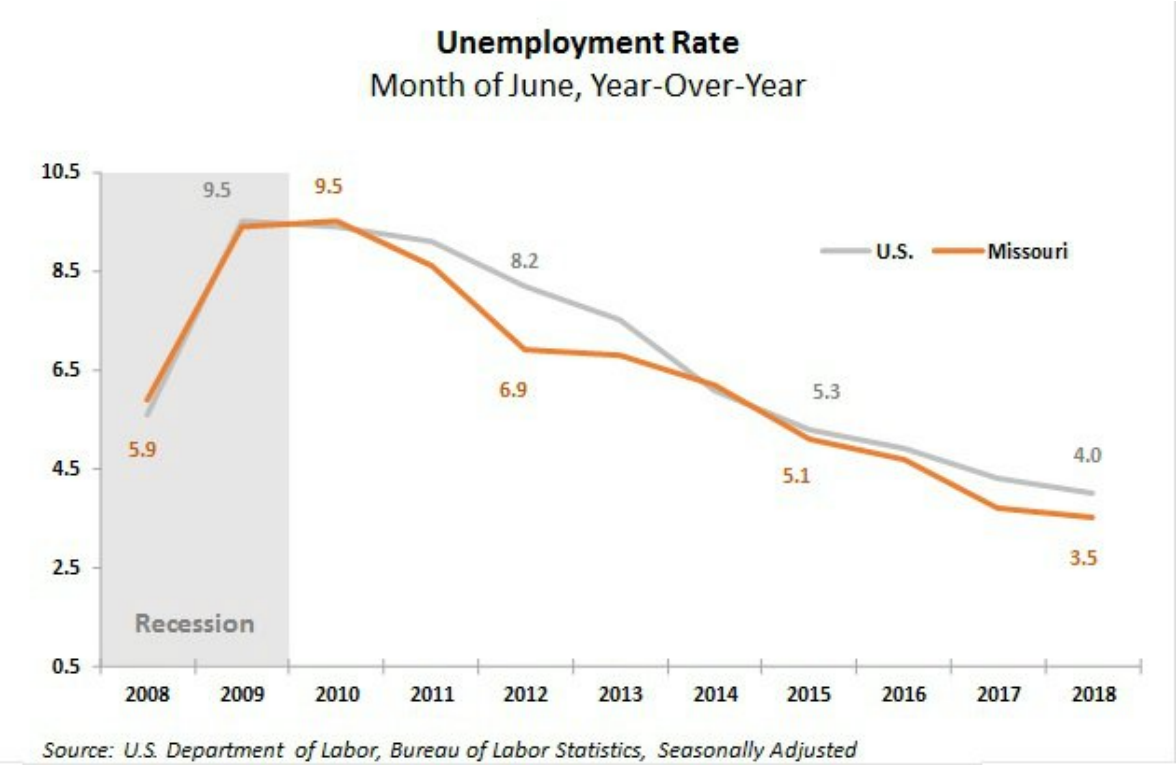
State Economy

Missouri's economy saw its sixth consecutive year of Annual Real GDP growth in 2017. Missouri's GDP was $263.1 billion in inflation-adjusted dollars; this is a 1.1% increase over 2016. Missouri's per capita personal income was $43,661 in 2017, up 1.7% from 2016. The national per capita income is $50,932. While the State's per capita income is lower than the national average, so is the cost of living. In 2017, Missouri ranked 6th lowest in cost of living for states.



Source: MERIC 2018 Missouri Economic Report

In June 2018, Missouri's unemployment rate was 3.5%, its lowest level since September 2000, while the nation's unemployment rate was 4.0%. June 2018 makes 16 consecutive months of unemployment rates below 4%. Between June 2017 to June 2018, Missouri added over 34,300 jobs, a 1.2% employment growth for Missouri.



Source: MERIC 2018 Missouri Economic Report

Long-Term Financial Planning

During the 2014 legislative session, the legislature passed Senate Bill 509 and Senate Bill 496, relating to changes to the State's income tax structure. The legislation reduced the maximum tax rate on personal income and created an income tax deduction for business income. The implementation of the tax cut is gradual with a 0.10% decline each calendar year and will go into effect following fiscal years where net general revenue collections grow at least $150 million. Estimates indicate that the bills will cost at least $620 million annually once fully in effect, which will occur in fiscal year 2023 at the earliest, due to a phased implementation. General revenue growth for fiscal year 2017 triggered the first income tax reduction in tax year 2018. General revenue growth for fiscal year 2018 triggered the second income tax rate reduction for tax year 2019. The estimated income tax revenue reduction for fiscal year 2019 is $240 million.

The Tax Cuts and Jobs Act (JCTA) became effective January 1, 2018. The tax package made multiple changes to the federal individual and corporate tax codes. Due to Missouri's rolling conformity with the majority of the federal tax code, many of the changes will also directly impact Missouri's tax collections. The most notable individual income tax change was an increase, of nearly double, to the standard deduction and elimination of the personal and dependent deductions. Missouri estimates that the individual income tax changes made at the federal level will reduce Missouri tax collections by $58 million annually beginning with fiscal year 2019.

The State has continued to implement a program of renovating capital assets by issuing bonds at historically low interest rates. The Board of Public Buildings issued Series A 2017 for $77,165,000 in August 2017 and Series A 2018 bonds for $47,740,000 in April 2018, utilizing Senate Bill 723 authorization. Senate Bill 723 authorized the Board to issue $314.3 million in bonds to provide continued funding for capital improvement projects for the State Capitol Building, State buildings, Veteran's homes, Correctional facilities, State Parks, and State educational institutions. No new bond issuances are planned for fiscal year 2019.

Relevant Financial Policies

Article X, Sections 16-24 of the Constitution of Missouri (the "Tax Limitation Amendment"), imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually based on a formula, which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by one percent or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than one percent of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or, if the General Assembly approves by a two-thirds vote, an emergency declaration by the Governor. Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995-1999. The State has refunded to income taxpayers $979 million in excess revenue for these fiscal years. The revenue limit was not exceeded in fiscal years 2000 through 2018, inclusive. The State is currently $4.06 billion below the limit and does not expect the limit to be exceeded in fiscal year 2019.

Major Initiatives

Missouri will continue to focus on streamlining government functions and investing in its citizens. Major initiatives include a focus on tax reform, education and the well-being of Missouri citizens.

2018 Tax Legislation

- **Individual Income Tax** - The General Assembly passed multiple individual income tax-related bills (HB 1796, HB 1858, HB 2540, SB 573, and SB 882). HB 1796 will grant a first-time home buyer savings contributions income tax deduction. This provision is expected to reduce income tax collections by $2.7 million annually once fully implemented. HB 1858 will change the amount of interest granted to individual income tax refunds that have not been paid within 45 days. HB 1858 is expected to reduce general revenue by $2.7 million annually. HB 2540 will reduce the federal tax deduction granted, offsetting reductions to the top individual income tax rate. This provision is estimated to increase fiscal year 2019 revenues by $1.7 million. Once fully implemented, this legislation will reduce tax collections by an estimated $5.8 million annually. SB 573 will exempt all non-active duty and National Guard military pay from individual income tax. This exemption will be phased in by 20% increments over five years. This provision is estimated to reduce income tax collections by $2.8 to $7.4 million, once fully implemented. SB 882 will allow transfers between certain types of savings accounts to be exempt from individual income tax.

- **Sales Tax** - The General Assembly passed multiple sales tax exemption-related bills (HB 1831, SB 627, and SB 768). HB 1831 will exempt 501(c)(7) organizations from paying sales tax on membership dues and initiation fees. SB 627 will add bison and honey bees to the current agriculture sales tax exemptions. SB 768 will permanently extend the manufacturing sales tax exemption currently granted to telecommunications businesses. These provisions are estimated to reduce general revenue by less than $1 million annually.

- **Corporate Income Tax** - The General Assembly passed three corporate income tax-related bills (SB 769, SB 773, and SB 884). SB 769 will grant a tax rate reduction to financial institutions in the event of a corporate tax rate reduction. SB 769 is estimated to reduce general revenue by $300 thousand once fully implemented. SB 773 will exempt intercompany transactions from corporate income tax. SB 884 will reduce the corporate tax rate, exempt affiliated member transactions from corporate income tax, and require corporations to use a single-sales income apportionment method. SB 884 is estimated to impact general revenue by a range of positive $9.7 million to a loss of $8.8 million, once fully implemented.

- **Tax Credits** - The General Assembly passed three tax credit-related bills. (HB 1288, SB 590, and SB 629). HB 1288 extends existing tax credits and creates two new tax credit programs. HB 1288 is expected to reduce general revenue by more than $3 million once fully implemented. SB 590 makes multiple changes to the historic preservation tax credit program, including reducing the authorization cap from $140 million to $120 million ($90 million for all projects plus an additional $30 million for certain projects). SB 629 reduces the authorization cap for the Missouri Supplemental TIF Fund. SB 629 is estimated to increase general revenue by up to $12 million annually once fully implemented.

Public Infrastructure. Senate Bill 564 allows electrical utility companies to offer discounts to consumers for economic development and caps customer rate increases. It will increase investment from electric companies in Missouri solar facilities while making available rebates for solar power use. House Bill 1991 enacts the Uniform Small Wireless Facility Deployment Act, which will modernize infrastructure by establishing a streamlined statewide framework for internet service providers to work with localities to construct small cell nodes on existing infrastructure in the public right-of-way. These nodes are used to implement 5G wireless technologies in rural and urban communities.

Reforming the State Employee Merit System. Senate Bill 1007 modifies the state employee merit system to make most State of Missouri employees at-will employees and removes barriers to hiring, rewarding, and promoting effective employees. The bill streamlines the employee discipline and appeals process while restructuring and broadening pay scales to grant departments and agencies greater flexibility in compensation. Whistleblower protections for state employees are expanded to protect those who come forward to report improprieties within state agencies.

Federal Reimbursement Allowance. Senate Bill 775 extends the Federal Reimbursement Allowance (FRA) program. Under the program, health care providers pay an assessment to the state, which uses these revenues to earn federal matching dollars to fund the state's Medicaid program. FRA allows the state to draw down additional federal dollars to fund health care for low-income families, children, seniors, and Missourians with disabilities. The state statutes authorizing the program include sunset provisions so the provider assessments can be reviewed periodically.

Labor Reforms. House Bill 1413 modifies the membership dues withholding process for public employees represented by a labor union. Public sector employees will now need to annually opt-in to automatic withholdings from their paychecks rather than opting-out. The bill also reforms the financial reporting requirements for public sector unions to match federal requirements of private and public sector unions and increase transparency. House Bill 1729 reforms Missouri's prevailing wage law for public construction projects to reduce the cost burden of public projects especially for rural communities.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

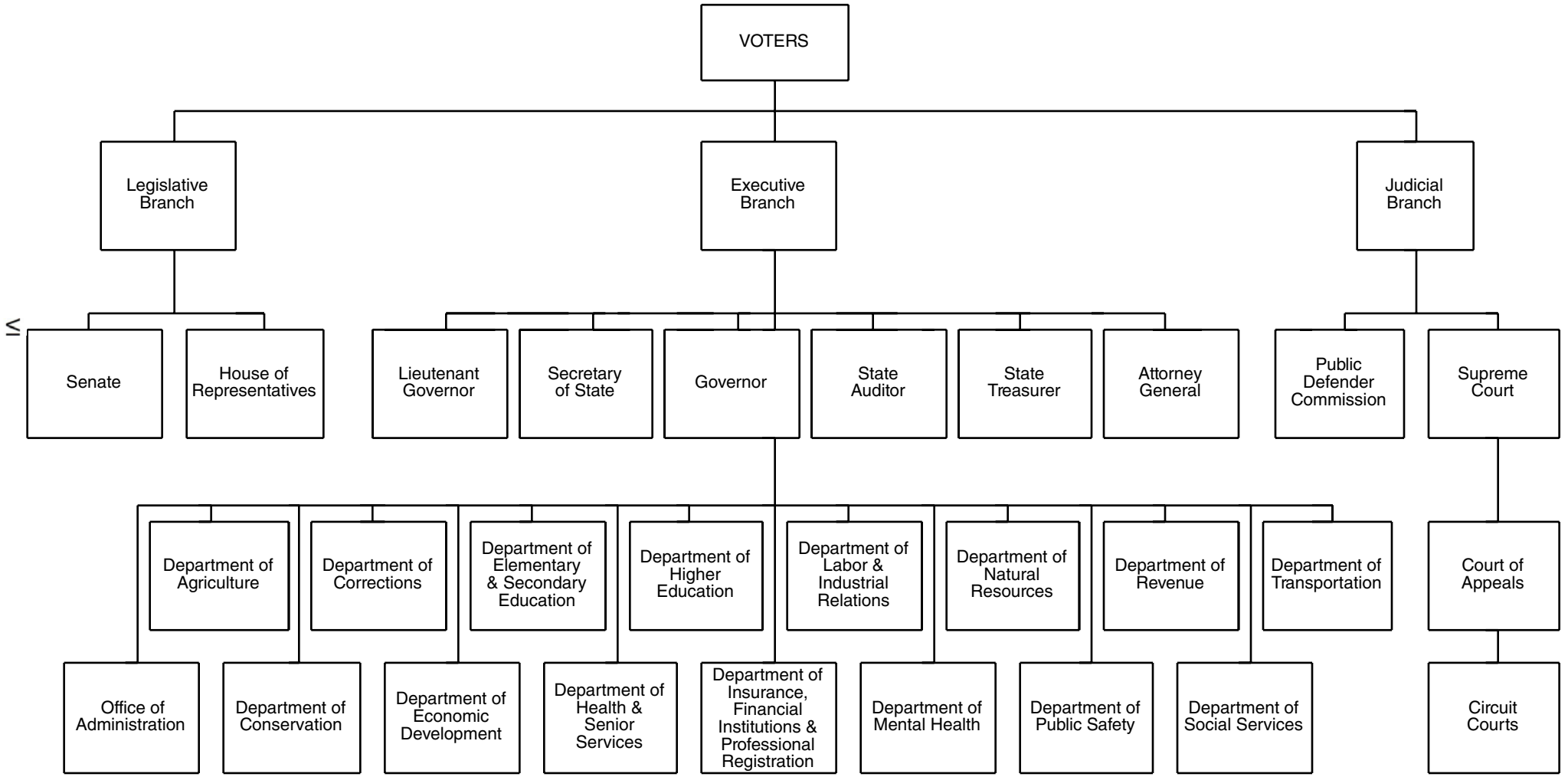
Sincerely,

Stacy Neal, CPA
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2018



STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2018

EXECUTIVE

Michael L. Parson
Governor

Mike Kehoe
Lieutenant Governor

John R. Ashcroft
Secretary of State

Nicole Galloway, CPA
State Auditor

Eric Schmitt
State Treasurer

Joshua D. Hawley
Attorney General

LEGISLATIVE

Ron Richard
President Pro Tem of the Senate

Todd Richardson
Speaker of the House of Representatives

JUDICIAL

Zel M. Fischer
Chief Justice of the Supreme Court

*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*

NICOLE GALLOWAY, CPA
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Conservation Employees' Insurance Plan; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 77 percent of the assets and 11 percent of the revenues of the governmental activities.

2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 12 percent of the assets and 73 percent of the revenues of the business-type activities.

3. The aggregate discretely presented component units.

4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Conservation Employees' Insurance Plan, the Missouri State Employees' Insurance Plan, and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board and the Missouri Agricultural and Small Business Development Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions on the governmental activities and the General Fund opinion units and our unmodified opinions on all remaining opinion units.

Basis for Qualified Opinions on the Governmental Activities and the General Fund

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Department of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). Approximately 28 percent of governmental activity revenues and 33 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2018, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, for the fiscal year ended June 30, 2018, the state of Missouri implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds; the Schedule of Changes in Net Pension Liability and Related Ratios; the Schedule of Proportionate Share of the Net Pension Liability; the Schedule of State Contributions; the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of Changes in Net OPEB Liability and Related Ratios; and the Schedule of Proportionate Share of the Collective Net OPEB Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, which consists of the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

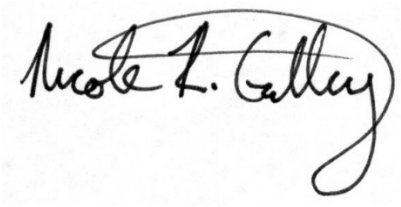
The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, and except for the possible effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, our report dated January 24, 2019, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of our report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the state of Missouri's internal control over financial reporting or on compliance. Our report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.



Nicole R. Galloway, CPA
State Auditor

January 24, 2019

The ***Management's Discussion and Analysis*** *provides a narrative overview and analysis of the financial activities of the State.*

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's financial activities for the fiscal year ended June 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-Wide:

- *Net Position.* Assets and deferred outflows of the State of Missouri exceeded liabilities and deferred inflows at the close of fiscal year 2018 by $27.5 billion. Of the $27.5 billion, "unrestricted net position" is reported as a negative $7.1 billion, offset by $4.1 billion in "restricted net position" and $30.5 billion net investment in capital assets. Unrestricted net position declined significantly due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The total restatement due to the implementation was $1.9 billion.

- *Changes in Net Position.* The State's total net position increased by $283.4 million in fiscal year 2018. Net position for governmental-type activities increased by $186.6 million.

- *Excess of Revenues over (under) Expenses.* During fiscal year 2018, the State's total revenues of $27.6 billion were $271.9 million greater than total expenses of $27.4 billion (excluding capital contributions, transfers, and extraordinary items). Of these expenses, $15.5 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled $12.1 billion.

Fund-Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2018, the State's governmental fund assets exceeded liabilities by $5.2 billion, an increase of $110.0 million or 2.2% from the prior year. The increase was due to the net effect of several factors. Taxes increased $273.8 million primarily from an increase in individual income tax received. Revenues from Contributions and Intergovernmental increased $317.7 million and related expenditures in Human Services increased $382.4 million due to an increase for Medicaid and Other Assistance Programs. Capital outlay expenditures for Transportation and Law Enforcement increased $142.0 million mainly due to an increase in expenditures for infrastructure.

- *General Fund – Fund Balance.* At the end of the current fiscal year, the State's General Fund reported a balance of $1.5 billion.

Additional information regarding individual funds begins on Page 8.

Debt Issued and Outstanding:

- The primary government's total long-term obligations related to bonds payable decreased $186.7 million, or 6.0%, over the prior year. The outstanding bonds payable represents 30.4% of financial assets (cash, receivables, and investments) and 6.8% of total assets. The Board of Public Buildings issued bonds Series A 2017 and Series A 2018 in the amounts of $77,165,000 and $47,740,000, respectively. Additionally, bond payments of $311,625,000 were made during the fiscal year. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State's ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1.0% or more must be refunded to the taxpayers each year. During fiscal year 2018, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the State's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as *net position.* Increases or decreases in net position may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents, and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, Missouri Transportation Finance Corporation, and Missouri Wine and Grape Board.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, and the Missouri Road Fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. A reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the General Fund and major special revenue funds and schedules for pension and other postemployment benefits. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules for the Missouri Road Fund, non-major special revenue, debt service, capital projects, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

The State's total net position increased $283.4 million or 1.0% during fiscal year 2018. Cash and cash equivalents and investments increased $431.1 million due to a large influx of sales and withholding tax payments during the latter part of June and due to the uncertainty of cash flows in the capital projects funds. Capital assets increased $367.3 million mainly due to an increase in capital improvements and in the State's infrastructure. Net pension liability increased $337.1 million while bonds payable decreased $186.7 million. The State issued a Board of Public Buildings Bond Series A 2017 and Series A 2018 bonds in the amount of $124.9 million for continued funding for capital improvement of the State's capital assets, while making bond payments in the amount of $311.6 million.

Net investment in capital assets, which includes capital assets, bonds payable, and capital lease obligations, is the largest component of the State's net position at $30.5 billion or 110.9%. These assets include construction in progress, software in progress, infrastructure in progress, land, easements, land improvements, buildings, equipment, software, and trademarks which are not easily converted to cash or readily available to pay state debts as they come due. Net investment in capital assets and restricted net position, which do not represent resources available to pay day-to-day operating expenses, increased by $512.4 million or 1.5%. The increase was primarily due to the increase in capital assets of $367.3 million and a decrease in related outstanding bond and capital lease obligation of $187.8 million.

Restricted net position of the primary government totaled $4.1 billion or 14.8% of total net position vs. 15.1% from the prior year. Net position is restricted for several reasons including constitutional, legal, enabling legislation, or external requirements. Examples of restricted net position include lottery proceeds restricted for public education, funds restricted for debt service, and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Position.

STATEMENT OF NET POSITION
(In Thousands of Dollars)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
ASSETS:						
Current and Other Assets	$ 8,431,704	$ 8,162,803	$ 1,221,345	$ 1,120,155	$ 9,653,049	$ 9,282,958
Capital Assets, Net	33,014,334	32,658,829	127,209	115,456	33,141,543	32,774,285
Total Assets	41,446,038	40,821,632	1,348,554	1,235,611	42,794,592	42,057,243
DEFERRED OUTFLOWS:	1,916,669	1,886,708	55,135	51,705	1,971,804	1,938,413
LIABILITIES:						
Other Liabilities	1,795,865	1,666,035	30,852	29,440	1,826,717	1,695,475
Long-Term Liabilities	14,705,678	14,590,877	387,731	371,278	15,093,409	14,962,155
Total Liabilities	16,501,543	16,256,912	418,583	400,718	16,920,126	16,657,630
DEFERRED INFLOWS:	384,182	161,028	3,107	1,399	387,289	162,427
NET POSITION:						
Net Investment in Capital Assets	30,336,702	29,793,477	127,209	115,327	30,463,911	29,908,804
Restricted	4,062,810	4,103,890	5,616	7,239	4,068,426	4,111,129
Unrestricted	(7,922,530)	(7,606,967)	849,174	762,633	(7,073,356)	(6,844,334)
Total Net Position	$ 26,476,982	$ 26,290,400	$ 981,999	$ 885,199	$ 27,458,981	$ 27,175,599

*Fiscal year 2017 amounts have been restated.

Changes in Net Position:

The schedule below reflects how the State's net position changed during the year. The State collected program revenues of $15.5 billion and general revenues of $12.1 billion for total revenues of $27.6 billion during fiscal year 2018. Expenses for the State during fiscal year 2018 were $27.4 billion. Total net position, net of contributions and transfers, increased by $283.4 million.

The following table displays the current and prior year government-wide condensed Statement of Activities.

STATEMENT OF ACTIVITIES
(In Thousands of Dollars)

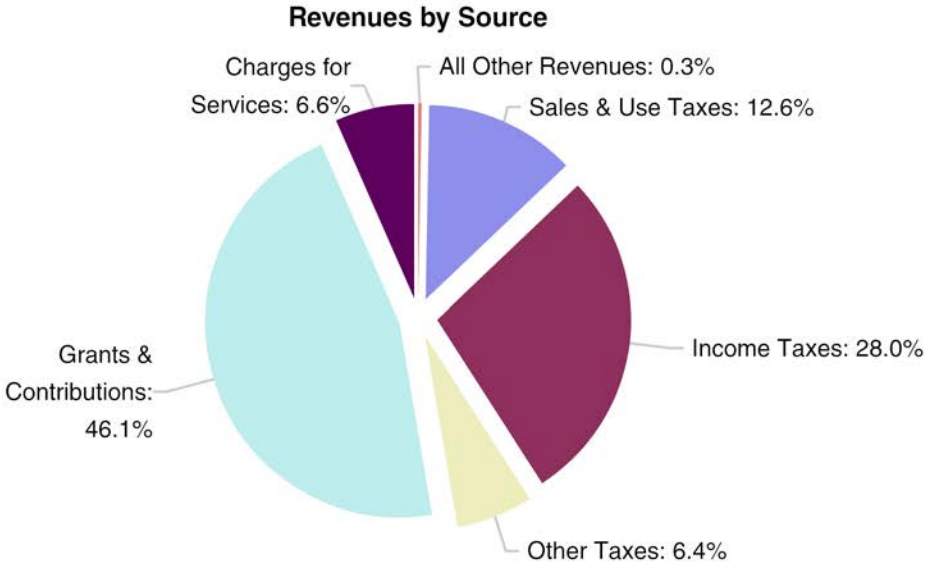
	Governmental Activities		Business-Type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
REVENUES:						
Program Revenues:						
Charges for Services	$ 1,702,084	$ 1,741,625	1,474,419	$1,423,224	$ 3,176,503	$ 3,164,849
Operating Grants and Contributions	10,812,026	10,403,733	466,750	553,591	11,278,776	10,957,324
Capital Grants and Contributions	1,020,695	923,748	—	—	1,020,695	923,748
General Revenues:						
Sales and Use Taxes	3,235,110	3,267,442	—	—	3,235,110	3,267,442
Income Taxes	7,200,130	7,041,356	—	—	7,200,130	7,041,356
Other Taxes	1,632,411	1,638,463	—	—	1,632,411	1,638,463
Other Revenues	85,545	74,799	18,338	13,156	103,883	87,955
Total Revenues	25,688,001	25,091,166	1,959,507	1,989,971	27,647,508	27,081,137
EXPENSES:						
General Government	1,265,879	1,176,204	—	—	1,265,879	1,176,204
Education	7,053,441	7,086,927	—	—	7,053,441	7,086,927
Natural and Economic Resources	1,079,319	1,074,411	—	—	1,079,319	1,074,411
Transportation and Law Enforcement	1,974,299	2,157,349	—	—	1,974,299	2,157,349
Human Services	14,339,906	13,682,277	—	—	14,339,906	13,682,277
State Lottery	—	—	1,086,926	1,070,595	1,086,926	1,070,595
Unemployment Compensation	—	—	294,271	318,782	294,271	318,782
Petroleum Storage Tank Insurance	—	—	21,298	19,392	21,298	19,392
State Fair Fees	—	—	4,878	4,726	4,878	4,726
State Parks and DNR	—	—	8,919	14,025	8,919	14,025
Historic Preservation	—	—	725	1,248	725	1,248
Veterans' Homes	—	—	123,094	115,078	123,094	115,078
Surplus Property	—	—	2,416	2,523	2,416	2,523
Revenue Information	—	—	12	12	12	12
All Other Expenses	120,206	128,108	—	—	120,206	128,108
Total Expenses	25,833,050	25,305,276	1,542,539	1,546,381	27,375,589	26,851,657
Increase (Decrease) in Net Position before Capital Contributions, Transfers, and Extraordinary Items	(145,049)	(214,110)	416,968	443,590	271,919	229,480
Capital Contributions	—	—	11,463	920	11,463	920
Transfers and Extraordinary Items	331,631	289,683	(331,631)	(289,836)	—	(153)
Change in Net Position	186,582	75,573	96,800	154,674	283,382	230,247
Net Position – July 1	26,290,400	26,214,827	885,199	730,525	27,175,599	26,945,352
Net Position – June 30	$ 26,476,982	$ 26,290,400	$ 981,999	$ 885,199	$ 27,458,981	$ 27,175,599

*Fiscal year 2017 amounts have been restated.

Governmental Activities

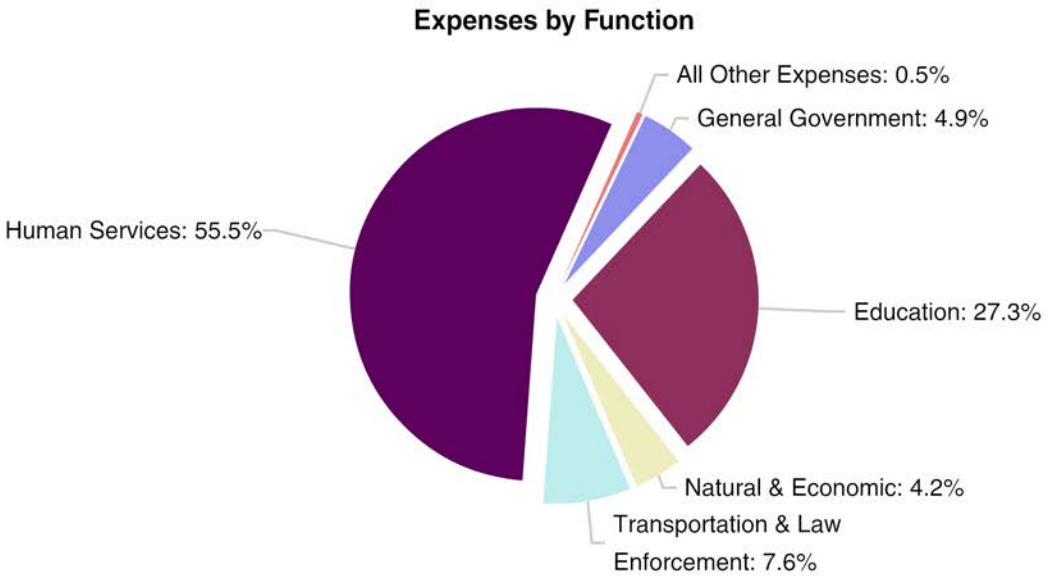
The net position of governmental activities increased $186.6 million in fiscal year 2018. General and program revenues of governmental activities were $596.8 million more in fiscal year 2018 than in fiscal year 2017, due mainly to an increase in operating grants and contributions and income tax.

As shown in the Revenues by Source chart below, approximately 47.0% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 46.1% of total revenue. Charges for services contributed 6.6% and various other revenues provided 0.3% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses for fiscal year 2018 were $527.8 million more than fiscal year 2017. The most notable increase is $657.6 million in Human Services. This is mainly due to an increase for Medicaid and Other Assistance Programs.

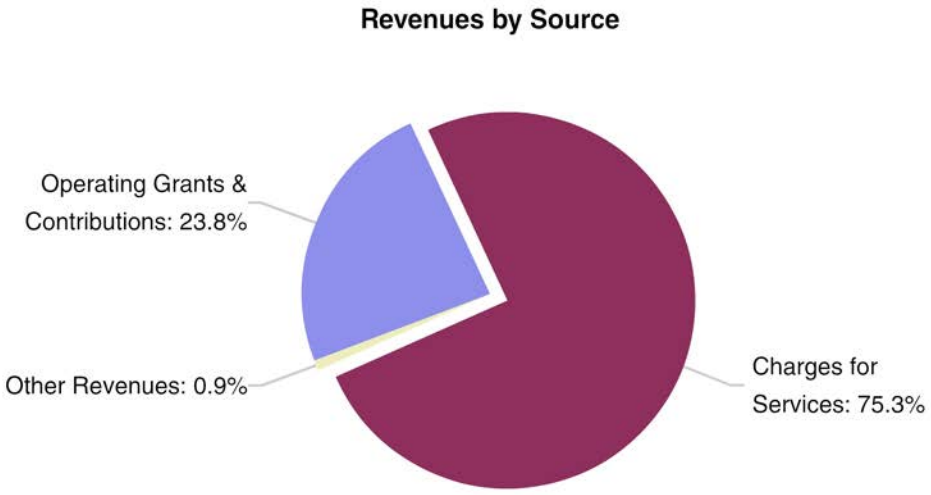
As shown in the Expenses by Function chart below, expense for Human Services makes up the largest portion, 55.5%, of total governmental activities expenses and followed by 27.3% for Education.



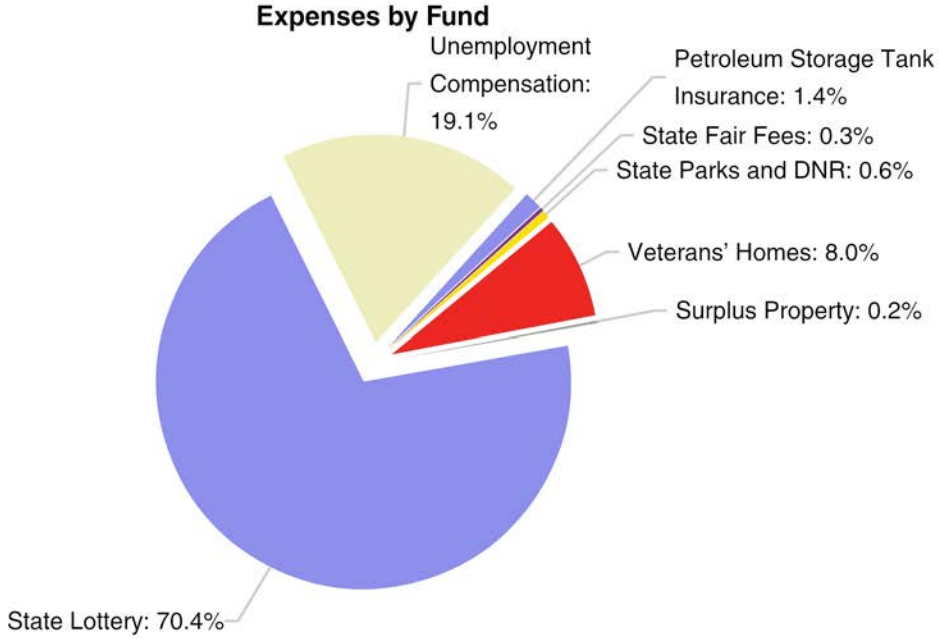
Business-Type Activities

Net position of the State's business-type activities increased $96.8 million in fiscal year 2018, mainly due to an increase in cash in Unemployment Compensation. The increase was due to an improved economy and a low unemployment rate which is allowing excess cash to remain in the fund.

Revenues of business-type activities totaled $2.0 billion. As shown in the Revenues by Source chart below, 75.3% of the revenues came from charges for services. Operating grants and contributions provided 23.8% of the total revenues and all other revenues provided 0.9%.



Expenses of business-type activities totaled $1.5 billion. As shown in the Expenses by Fund chart below, State Lottery makes up the largest portion with 70.4% of total business-type expenses. Unemployment Compensation comes in second at 19.1%, followed by Veterans' Homes at 8.0%, Petroleum Storage Tank Insurance at 1.4%, State Parks and DNR at 0.6%, State Fair Fees at 0.3%, and Surplus Property at 0.2%.



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2018, the State's governmental funds reported combined ending fund balances of $5.2 billion. Approximately 62.5% is unrestricted and available for spending at the government's discretion. The remainder of fund balance is nonspendable and restricted to indicate that it is not available for new spending because it has already been allocated for: 1) inventories, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Total
Nonspendable	$ 48,944	$ 123	$ 380	$ 33,738	$ 61,198	$ 144,383
Restricted	307,913	233,381	140,010	669,740	447,291	1,798,335
Committed	617,661	2,184	1,621,793	—	39,120	2,280,758
Assigned	86,705	46,399	108,411	—	255,376	496,891
Unassigned	457,634	—	—	—	—	457,634
Total	$ 1,518,857	$ 282,087	$ 1,870,594	$ 703,478	$ 802,985	$ 5,178,001

The General Fund is the chief operating fund of the State. At the end of fiscal year 2018, the State's General Fund reported a total fund balance of $1.5 billion, an increase of $84.6 million from fiscal year 2017. Total revenues increased $415.2 million. The increase was due primarily to an increase in individual income tax and sales and use tax and an increase in funds received from the federal government for Medicaid and Other Assistance programs. Total expenditures went from $18.5 billion to $18.9 billion between fiscal years 2017 and 2018, an increase of $340.8 million. The largest component of this increase was in human services of $377.0 million relating to the increase in funds received and related expenditures due to an increase in the number people utilizing Medicaid and Other Assistance Programs.

The Public Education Fund provides general and special education services to the children of the State and other related functions, such as library services and student loans. Total fund balance increased from $278.0 million last year to $282.1 million this year, an increase of $4.1 million or 1.5%. Revenues and expenditures were relatively stable verses fiscal year 2017.

The Conservation and Environmental Protection Fund provides the preservation of the State's wildlife and environment. At the end of fiscal year 2018, the fund balance was $1.9 billion, an increase of $52.0 million from fiscal year 2017. Revenues totaled $404.5 million while expenditures totaled $351.4 million, remaining relatively stable verses fiscal year 2017.

The Missouri Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Total fund balance decreased $20.1 million from fiscal year 2017. Revenues totaled $1.3 billion while expenditures totaled $1.8 billion. Total revenues increased by $127.0 million from fiscal year 2017 mostly due to the timing of reimbursements related to project expenditures and preventative maintenance, as well as an increase in the total number of projects billed due to the increase in contractor awards.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the "Unemployment Compensation Law." This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund's net position decreased by $2.0 million in fiscal year 2018, which is partly the result of fluctuations in market yields, which increase or reduce the unrealized gain on investments. Total operating revenues increased by 4.1%, while operating expenses increase by 1.5% in fiscal year 2018. Prize expense increased by $7.4 million, while ticket sales increased by $57.6 million. The sales increase was the result of an increase in Scratchers sales by $37.9 million, or 4.4%, an increase in Draw Game sales by $40.8 million, or 11.1%, and a decrease in Pull-Tab sales by $21.1 million, or 19.7%. The increase in fiscal year 2018 Scratchers sales can be attributed to the launch of a second $30 Scratchers game in late April 2018.

The Unemployment Compensation Fund's net position increased by $103.7 million during fiscal year 2018, which is mainly due to an increase in cash of $126.2 million and a decrease in accounts receivables of $22.0 million. The increase in cash is due to an improved economy and low unemployment rate, which allows excess cash to remain in the fund. During fiscal year 2018, the cash balance in the fund reached the statutorily established levels that trigger contribution rate reductions and decreases in the taxable wage base. The employer contribution rates decreased during fiscal year 2018, from 2.7% to 2.5%, and the taxable wage base decreased from $13,000 to $12,500, which were the main reasons for the accounts receivable decrease.

The Petroleum Storage Tank Insurance Fund's net position decreased by $7.8 million due to an increase in claims paid in fiscal year 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted amounts, and increases to estimated appropriations, which occur during the fiscal year.

Budgeted appropriations for fiscal year 2018 from the General Fund were $26.9 billion original budget and $27.7 billion final budget. Actual spending was $24.6 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year, but the expenditures may occur over several years.
- Capital improvement appropriations were restricted during the budget process.

Budgeted revenues/transfers in for fiscal year 2018 for the General Fund were $26.8 billion original budget and $26.7 billion final budget. Actual revenue/transfers in was $24.9 billion.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 140 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2018, was $33.1 billion (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, software in progress, infrastructure in progress, land, permanent easements, land improvements, temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	$ 413,543	$ 14,847	$ 428,390
Software in Progress	99,119	189	99,308
Infrastructure in Progress	1,550,464	—	1,550,464
Land	3,093,739	32,602	3,126,341
Permanent Easements	4,091	—	4,091
Land Improvements	221,328	38,541	259,869
Temporary Easements	1,496	50	1,546
Buildings and Improvements	3,414,850	56,779	3,471,629
Equipment	1,352,483	52,781	1,405,264
Software	251,965	631	252,596
Trademarks	17	—	17
Infrastructure	50,828,842	—	50,828,842
Subtotal	61,231,937	196,420	61,428,357
Less Accumulated Depreciation/ Amortization	(28,217,603)	(69,211)	(28,286,814)
Total Capital Assets, Net	$ 33,014,334	$ 127,209	$ 33,141,543

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2018, the primary government had total general obligation and other bonded debt outstanding of $2.9 billion. Of this amount, $104.7 million comprises debt backed by the full faith and credit of the government.

Principal amounts retired or refunded in fiscal year 2018 were $50.1 million for general obligation bonds and $261.5 million for other bonds.

The State of Missouri is proud to have maintained a Triple-A credit rating since 1989 from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable of the State include (in thousands):

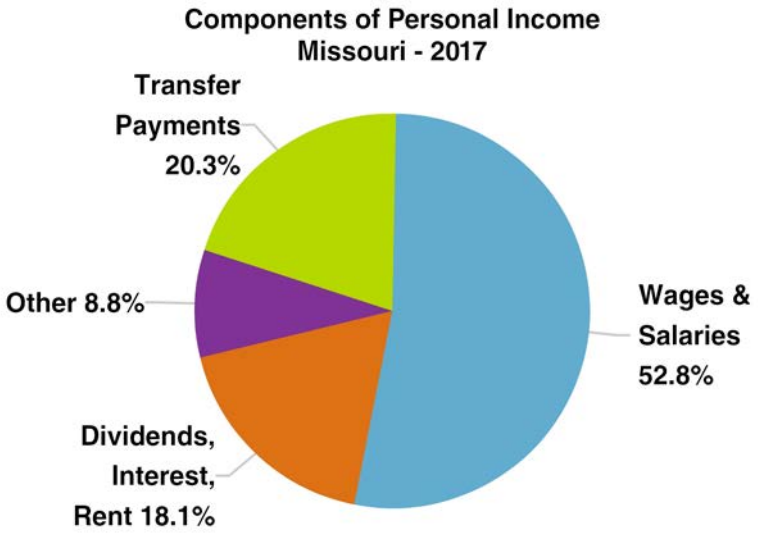
	Governmental Activities	Component Units	Total
General Obligation Bonds	$ 104,695	$ —	$ 104,695
Other Bonds	2,807,240	2,050,869	4,858,109
Total	$ 2,911,935	$ 2,050,869	$ 4,962,804

Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

As a major manufacturing, financial, and agricultural state, Missouri's economic health is tied closely to that of the nation. The expansion after the recession that ended in the summer of 2009 has continued, despite European fiscal and geopolitical troubles, volatile stock markets, and national policy uncertainty. Missouri's personal income, which directly impacts individual income tax and sales tax, increased 2.1% in 2017. Personal income growth began to accelerate in 2017, following weak growth during 2016. Missouri's employment stood at 2.9 million in June 2018, about 1.2% above June 2017. The State's seasonally adjusted unemployment rate registered 3.5% in June 2018, compared to 3.7% one year earlier. The national rate was 4.0% in June 2018.

Since 2010, personal incomes have increased, on average, 2.5% annually for the State and 3.6% for the nation. Missouri's per capita personal income grew 1.3% compared to national growth in per capita income of 1.6% from 2016 to 2017. The below graph depicts the components of personal income, with transfer payments (such as social security, Medicare, etc.) comprising 20.3% of the State's total personal income, due in part to the State's aging population.



Source: U.S. Bureau of Economic Analysis 2017

The State of Missouri's net general revenue collections in Fiscal Year 2018 were $9.4 billion, a 5.0% increase from fiscal year 2017 collections.

The State's economic outlook for fiscal year 2019 anticipates continued improvement in employment and wages, with continued growth in state revenue collections. During the fiscal year 2019 budget process, staff from the House, Senate, the University of Missouri and the Division of Budget and Planning developed a revenue estimate of 1.9% growth for fiscal year 2018 and 2.5% growth for fiscal year 2019. The actual fiscal year 2018 revenue collections increased by 5.0% when compared to the fiscal year 2017 collections, well above forecast and amount originally budgeted for fiscal year 2018. Net general revenue collections could decline by 0.5% in fiscal year 2019 and still reach forecast for net collections of $9.4 billion. Because of the conditions listed above, the Governor has begun fiscal year 2019 with no restrictions placed on general revenue spending. However, if necessary, the Governor may restrict spending at some point during the fiscal year.

The outlook for general revenue for fiscal year 2019 remains uncertain. Most economic forecasts are calling for moderate economic growth; however, escalating trade tensions and recent federal and state tax reforms may dampen Missouri growth. Equity markets have been strong in the first half of 2018, but have become more volatile as national and global uncertainty continues. While the number of jobs is steadily improving, the rate of growth has continued to slow as the labor market reaches full employment. Growth in sales tax is expected to be moderate as energy prices and inflation continue to increase.

The General Assembly passed several tax-related bills during the 2018 legislative session. The combined impact to general revenue during fiscal year 2019 ranges from a $1.3 million to $1.7 million gain. Once fully implemented, the legislation could impact general revenue by positive $10.1 million to a loss greater than $31.7 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.

*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET POSITION
June 30, 2018
(In Thousands of Dollars)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents (Note 3)	$ 1,453,898	$ 976,917	$ 2,430,815	$ 481,438
Investments (Note 3)	2,577,761	72,350	2,650,111	2,783,012
Invested Securities Lending Collateral (Note 3)	—	—	—	5,012
Receivables, Net (Note 14)	4,227,898	170,475	4,398,373	635,202
Internal Balances	32,800	(32,800)	—	—
Inventories	70,074	1,605	71,679	55,025
Deposits and Prepaid Expenses	196	—	196	50,979
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	28,225	—	28,225	234,934
Investments (Note 3)	40,852	32,798	73,650	1,543,485
Receivables, Net	—	—	—	47,692
Other Assets	—	—	—	19,371
Capital Assets (Note 5):				
Non-Depreciable	5,160,956	47,638	5,208,594	383,574
Depreciable, Net	27,853,378	79,571	27,932,949	5,073,560
Total Assets	41,446,038	1,348,554	42,794,592	11,313,284
Deferred Outflows of Resources (Note 15)	1,916,669	55,135	1,971,804	600,814
Liabilities				
Bank Overdraft (Notes 3 and 10)	2	—	2	—
Payables (Note 14)	1,584,776	29,199	1,613,975	631,828
Securities Lending Obligation (Note 3)	—	—	—	5,012
Unearned Revenue (Note 1)	98,623	1,653	100,276	161,266
Escheat/Unclaimed Property	112,464	—	112,464	—
Long-Term Liabilities (Note 11):				
Due Within One Year	764,945	96,837	861,782	470,912
Due in More Than One Year	13,940,733	290,894	14,231,627	4,203,447
Total Liabilities	16,501,543	418,583	16,920,126	5,472,465
Deferred Inflows of Resources (Note 15)	384,182	3,107	387,289	104,390
Net Position				
Net Investment in Capital Assets	30,336,702	127,209	30,463,911	3,115,586
Restricted for:				
Budget Reserve	614,386	—	614,386	—
Debt Service	395,152	—	395,152	—
Grants	303,480	—	303,480	—
Enabling Legislation (Note 1)	500,692	—	500,692	—
Loans Receivable	1,346,256	—	1,346,256	—
Permanent Trusts:				
Expendable	112	—	112	610,644
Non-Expendable	57,524	—	57,524	1,245,997
External Parties	845,208	5,616	850,824	100,584
Unrestricted	(7,922,530)	849,174	(7,073,356)	1,264,432
Total Net Position	$ 26,476,982	$ 981,999	$ 27,458,981	$ 6,337,243

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 1,265,879	$ 589,009	$ 83,497	$ —
Education	7,053,441	40,328	1,171,355	—
Natural and Economic Resources	1,079,319	262,421	311,421	—
Transportation and Law Enforcement	1,974,299	227,737	225,979	1,020,660
Human Services	14,339,906	559,855	9,019,774	35
Interest on Debt (Excluding Direct Expense)	120,206	22,734	—	—
Total Governmental Activities	25,833,050	1,702,084	10,812,026	1,020,695
Business-Type Activities:				
State Lottery	1,086,926	1,418,409	—	—
Unemployment Compensation	294,271	—	386,428	—
Petroleum Storage Tank Insurance	21,298	12,937	—	—
State Fair Fees	4,878	4,755	319	—
State Parks and DNR	8,919	10,919	4,896	—
Historic Preservation	725	1	—	—
Missouri Veterans' Homes	123,094	24,540	75,107	—
Surplus Property	2,416	2,098	—	—
Revenue Information	12	760	—	—
Total Business-Type Activities	1,542,539	1,474,419	466,750	—
Total Primary Government	$ 27,375,589	$ 3,176,503	$ 11,278,776	$ 1,020,695
Component Units:				
College and Universities	$ 4,689,124	$ 3,173,090	$ 1,443,009	$ 84,629
Non-Major Component Units	7,304	7,961	—	—
Total Component Units	$ 4,696,428	$ 3,181,051	$ 1,443,009	$ 84,629

General Revenues:
Taxes:
Sales and Use
Individual Income
Corporate Income
County Foreign Insurance
Alcoholic Beverage
Corporate Franchise
Fuel
Miscellaneous Taxes
Grants and Contributions not Restricted to Specific Programs
Unrestricted Investment Earnings
Capital Contributions
Extraordinary Item
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning
Net Position - Ending

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (593,373)	$ —	$ (593,373)	$ —
(5,841,758)	—	(5,841,758)	—
(505,477)	—	(505,477)	—
(499,923)	—	(499,923)	—
(4,760,242)	—	(4,760,242)	—
(97,472)	—	(97,472)	—
(12,298,245)	—	(12,298,245)	—
—	331,483	331,483	—
—	92,157	92,157	—
—	(8,361)	(8,361)	—
—	196	196	—
—	6,896	6,896	—
—	(724)	(724)	—
—	(23,447)	(23,447)	—
—	(318)	(318)	—
—	748	748	—
—	398,630	398,630	—
(12,298,245)	398,630	(11,899,615)	—
—	—	—	11,604
—	—	—	657
—	—	—	12,261
3,235,110	—	3,235,110	—
6,796,359	—	6,796,359	—
403,771	—	403,771	—
272,497	—	272,497	—
32,602	—	32,602	—
1,968	—	1,968	—
640,767	—	640,767	—
684,577	—	684,577	—
59,236	—	59,236	6,292
26,309	18,338	44,647	212,079
—	11,463	11,463	—
—	—	—	(17,908)
331,631	(331,631)	—	—
12,484,827	(301,830)	12,182,997	200,463
186,582	96,800	283,382	212,724
26,290,400	885,199	27,175,599	6,124,519
$ 26,476,982	$ 981,999	$ 27,458,981	$ 6,337,243

The notes to the financial statements are an integral part of this statement.

*The **Governmental Funds** focus on current financial resources.*

Governmental Fund Financial Statements

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Major Special Revenue Funds:

Public Education - Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection - Provides for the preservation of the State's wildlife and environment.

Major Capital Projects Fund:

Missouri Road Fund - Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements and Schedules for non-major funds as part of Supplementary Information.

STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Totals June 30, 2018
ASSETS						
Cash and Cash Equivalents (Note 3)	$ 657,525	$ 61,838	$ 180,949	$ 251,327	$ 241,656	$ 1,393,295
Investments (Note 3)	1,096,486	85,999	355,983	377,543	468,608	2,384,619
Accounts Receivable, Net	2,278,917	161,538	55,418	122,942	183,845	2,802,660
Interest Receivable	6,149	1,154	3,937	1,667	1,410	14,317
Due from Other Funds (Note 16)	—	27,950	—	—	630	28,580
Due from Component Units (Note 16)	—	—	250	—	—	250
Inventories	22,990	123	380	33,738	3,674	60,905
Advance to Component Units (Note 16)	—	—	267	—	—	267
Loans Receivable	25,954	855	1,315,949	—	3,498	1,346,256
Restricted Assets:						
Cash and Cash Equivalents (Note 3)	—	—	—	26,997	—	26,997
Investments (Note 3)	—	—	—	40,552	—	40,552
Total Assets	$ 4,088,021	$ 339,457	$ 1,913,133	$ 854,766	$ 903,321	$ 8,098,698
LIABILITIES						
Accounts Payable	$ 1,233,795	$ 63	$ 12,588	$ 107,010	$ 79,611	$ 1,433,067
Accrued Payroll	59,100	191	4,980	17,213	11,931	93,415
Due to Other Funds (Note 16)	4,988	14	551	227	1,189	6,969
Unearned Revenue (Note 1)	62,030	—	157	4,306	—	66,493
Escheat/Unclaimed Property	112,464	—	—	—	—	112,464
Total Liabilities	1,472,377	268	18,276	128,756	92,731	1,712,408
DEFERRED INFLOWS OF RESOURCES (Note 15)	1,096,787	57,102	24,263	22,532	7,605	1,208,289
FUND BALANCES (Note 4)						
Nonspendable	48,944	123	380	33,738	61,198	144,383
Restricted	307,913	233,381	140,010	669,740	447,291	1,798,335
Committed	617,661	2,184	1,621,793	—	39,120	2,280,758
Assigned	86,705	46,399	108,411	—	255,376	496,891
Unassigned	457,634	—	—	—	—	457,634
Total Fund Balances	1,518,857	282,087	1,870,594	703,478	802,985	5,178,001
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,088,021	$ 339,457	$ 1,913,133	$ 854,766	$ 903,321	$ 8,098,698

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018
(In Thousands of Dollars)

Total Fund Balances - Governmental Funds		$ 5,178,001
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental funds are not financial resources and are not reported in the funds. These assets consist of (Note 5):		
Construction in Progress	413,204	
Software in Progress	98,040	
Infrastructure in Progress	1,550,464	
Land	3,085,405	
Permanent Easements	4,091	
Land Improvements	217,736	
Temporary Easements	1,496	
Buildings and Improvements	2,922,434	
Equipment	1,221,546	
Software	224,675	
Trademarks	17	
Infrastructure	50,828,842	
Accumulated Depreciation/Amortization	(27,860,161)	
		32,707,789
Deferred inflows of resources related to the State's revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures are deferred in the funds.		1,208,289
Deferred outflows of resources related to pensions and OPEB (Other Postemployment Benefits) are applicable to future reporting periods and therefore, not reported in the funds.		1,815,550
Deferred inflows of resources related to pensions and OPEB are applicable to future reporting periods and therefore, not reported in the funds.		(380,973)
Deferred outflows of resources related to deferred charges or credits on debt refundings are applicable to future reporting periods and therefore, not reported in the funds.		57,242
Deferred inflows of resources related to deferred charges or credits on debt refundings are applicable to future reporting periods and therefore, not reported in the funds.		(632)
Some liabilities are not due and payable in the current period and therefore, not reported in the funds. Those liabilities consist of (Note 11):		
Due to Other Entities	(1,420)	
General Obligation and Other Bonds Payable	(2,911,935)	
Unamortized Bond Premium	(166,876)	
Accrued Interest on Bonds	(26,785)	
Obligation under Lease Purchases	(46,175)	
Pollution Remediation	(46,239)	
Compensated Absences	(168,057)	
Claims Liability	(32,740)	
Contingent Liabilities	(2,002,091)	
Net Other Postemployment Benefit Obligation	(2,897,555)	
Net Pension Liability	(6,076,857)	
		(14,376,730)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position.		268,446
Net Position of Governmental Activities		$ 26,476,982

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2018
Revenues:							
Taxes	$ 9,333,308	$ 1,288,433	$ 215,194	$ 180,110	$1,134,033	$ —	$ 12,151,078
Licenses, Fees, and Permits	92,915	1,452	82,991	106,029	392,060	—	675,447
Sales	531	—	7,599	—	1,397	—	9,527
Leases and Rentals	12	—	143	—	2	—	157
Services	147,851	—	2	—	800	—	148,653
Contributions and Intergovernmental	10,259,288	50,791	83,977	958,038	360,680	—	11,712,774
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	(2,981)	(203)	(1,994)	(7,971)	(2,235)	—	(15,384)
Interest	23,358	2,312	11,584	14,872	8,063	—	60,189
Penalties and Unclaimed Properties	54,888	1,013	812	—	13,944	—	70,657
Cost Reimbursement/ Miscellaneous	304,767	73,220	4,169	66,211	65,422	—	513,789
Total Revenues	20,213,937	1,417,018	404,477	1,317,289	1,974,166	—	25,326,887
Expenditures:							
Current:							
General Government	654,849	525	2,297	—	252,270	—	909,941
Education	4,262,676	2,711,671	—	—	56,885	—	7,031,232
Natural and Economic Resources	268,990	5,717	347,288	—	247,573	—	869,568
Transportation and Law Enforcement	298,995	136	1,030	835,184	347,880	—	1,483,225
Human Services	13,293,352	12,833	824	—	705,210	—	14,012,219
Capital Outlay:							
General Government	—	—	—	—	1,320	—	1,320
Education	—	—	—	—	106	—	106
Natural and Economic Resources	—	—	—	—	3,549	—	3,549
Transportation and Law Enforcement	—	—	—	854,431	276	—	854,707
Human Services	—	—	—	—	64,467	—	64,467
Debt Service:							
Principal	77,610	—	—	79,917	175,953	—	333,480
Interest	29,407	—	—	40,196	75,373	—	144,976
Bond Issuance Costs	356	—	—	—	—	—	356
Underwriter's Discount	—	—	—	—	985	—	985
Total Expenditures	18,886,235	2,730,882	351,439	1,809,728	1,931,847	—	25,710,131
Excess Revenues (Expenditures)	1,327,702	(1,313,864)	53,038	(492,439)	42,319	—	(383,244)
Other Financing Sources (Uses):							
Proceeds from Notes/Capital Leases	6,852	—	—	—	82	—	6,934
Proceeds From Bonds	—	—	—	—	124,905	—	124,905
Bond Premium (Note 11)	—	—	—	—	9,751	—	9,751
Proceeds from Sale of Capital Assets	932	—	39	9,087	7,976	—	18,034
Transfers In (Note 17)	53,596	1,345,373	2,074	463,282	308,227	(1,829,573)	342,979
Transfers Out (Note 17)	(1,303,557)	(27,513)	(3,234)	—	(504,446)	1,829,573	(9,177)
Total Other Financing Sources (Uses)	(1,242,177)	1,317,860	(1,121)	472,369	(53,505)	—	493,426
Net Change in Fund Balances	85,525	3,996	51,917	(20,070)	(11,186)	—	110,182
Fund Balances - Beginning (Note 18)	1,434,253	278,039	1,818,628	723,548	813,506	—	5,067,974
Increase (Decrease) in Reserve for Inventory	(921)	52	49	—	665	—	(155)
Fund Balances - Ending	$ 1,518,857	$ 282,087	$ 1,870,594	$ 703,478	$ 802,985	$ —	$ 5,178,001

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES IN GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

Net Change in Fund Balances - Total Governmental Funds		$ 110,182
Amounts reported for governmental activities in the Statement of Activities are different because:		
Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement.		(155)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/ amortization expense. This is the amount that capital outlays of $1,083,057 exceeds depreciation/ amortization of $686,978 in the current period.		396,079
In the Statement of Activities only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus the change in net position differs from the change in governmental fund balance by the net book value of the assets sold.		(24,254)
The net effect of the donation of capital assets increased net position.		82
Deferred inflows do not provide current financial resources and are not recognized as revenues until available in governmental funds.		105,210
Pension and OPEB (Other Postemployment Benefits) contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability and OPEB liability are measured a year before the report date. Pension expense and OPEB expense, which are the change in the net pension liability and the net change in OPEB liablity, adjusted for changes in deferred outflows and inflows of resources related to pensions and OPEB, is reported in the Statement of Activities.		
Pension Contributions		534,220
Pension Expense		(874,729)
OPEB Contributions		90,630
OPEB Expense		(180,015)
Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Position (Note 11):		
Bonds Issued	(124,905)	
Bond Premiums and Refunding Costs	(9,751)	
Bonds Retired	311,625	
Capital Leases Issued	(6,874)	
Capital Lease Payments	21,854	
		191,949
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, not reported as expenditures in governmental funds (Note 11):		
Amortization of Bond Premium and Refunding Costs	24,022	
Decrease in Accrued Interest	1,806	
Decrease in Pollution Remediation	1,192	
Increase in Due to Other Entities	(59)	
Decrease in Compensated Absences	2,204	
Increase in Contingent Liabilities	(90,755)	
Decrease in Claims Liability	5,249	
		(56,341)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities.		(106,276)
Change in Net Position of Governmental Activities		$ 186,582

The notes to the financial statements are an integral part of this statement.

*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery - Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation - Accounts for contributions and payments collected under the provisions of the "Unemployment Compensation Law" to pay benefits.

Petroleum Storage Tank Insurance - Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds						
	Major Funds					Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Eliminations	June 30, 2018	Governmental Activities Internal Service Funds
ASSETS							
Current Assets:							
Cash and Cash Equivalents (Note 3)	$ 30,996	$ 919,775	$ 16,382	$ 9,764	$ —	$ 976,917	$ 60,603
Investments (Note 3)	27,898	—	28,031	16,421	—	72,350	78,499
Restricted:							
Investments (Note 3)	3,402	—	—	—	—	3,402	300
Accounts Receivable, Net	53,296	108,220	1,678	6,768	—	169,962	63,725
Interest Receivable	110	—	112	69	—	291	421
Due from Other Funds (Note 16)	—	—	—	380	(2)	378	7,017
Due from Component Units (Note 16)	—	—	—	—	—	—	2
Inventories	—	—	—	1,605	—	1,605	9,169
Prepaid Items	—	—	—	—	—	—	196
Loans Receivable	—	—	—	222	—	222	—
Total Current Assets	115,702	1,027,995	46,203	35,229	(2)	1,225,127	219,932
Non-Current Assets:							
Investments	—	—	—	—	—	—	114,643
Restricted:							
Cash and Cash Equivalents (Note 3)	—	—	—	—	—	—	1,228
Investments (Note 3)	29,396	—	—	—	—	29,396	—
Capital Assets (Note 5):							
Construction in Progress	248	—	—	14,599	—	14,847	339
Software in Progress	—	—	—	189	—	189	1,079
Land	353	—	—	32,249	—	32,602	8,334
Land Improvements	—	—	—	38,541	—	38,541	3,592
Temporary Easements	—	—	—	50	—	50	—
Buildings	5,270	—	—	51,509	—	56,779	492,416
Equipment	7,153	—	151	45,477	—	52,781	130,937
Software	461	—	—	170	—	631	27,290
Less Accumulated Depreciation/Amortization	(10,891)	—	(143)	(58,177)	—	(69,211)	(357,442)
Total Non-Current Assets	31,990	—	8	124,607	—	156,605	422,416
Total Assets	147,692	1,027,995	46,211	159,836	(2)	1,381,732	642,348
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	6,201	—	847	48,087	—	55,135	43,877
LIABILITIES							
Current Liabilities:							
Bank Overdraft (Note 3 and 10)	—	—	—	—	—	—	2
Accounts Payable	4,216	20,153	85	2,062	—	26,516	29,553
Accrued Payroll	283	—	44	2,356	—	2,683	1,956
Due to Other Funds (Note 16)	28,007	630	6	87	(2)	28,728	278
Unearned Revenue (Note 1)	524	—	525	604	—	1,653	32,130
Claims Liability (Note 11)	—	—	13,200	—	—	13,200	86,014
Grand Prize Winner Liability (Note 11)	79,233	—	—	—	—	79,233	—
Obligations under Lease Purchase (Note 11)	—	—	—	—	—	—	4,632
Compensated Absences (Note 11)	649	—	92	3,663	—	4,404	3,735
Total Current Liabilities	112,912	20,783	13,952	8,772	(2)	156,417	158,300
Non-Current Liabilities:							
Claims Liability (Note 11)	—	—	70,818	—	—	70,818	57,199
Grand Prize Winner Liability (Note 11)	27,352	—	—	—	—	27,352	—
Obligations under Lease Purchase (Note 11)	—	—	—	—	—	—	29,153
Compensated Absences (Note 11)	—	—	—	56	—	56	937
Net OPEB Liability (Note 11)	7,473	—	898	47,455	—	55,826	50,195
Net Pension Liability (Note 11)	18,004	—	2,324	116,514	—	136,842	123,868
Total Non-Current Liabilities	52,829	—	74,040	164,025	—	290,894	261,352
Total Liabilities	165,741	20,783	87,992	172,797	(2)	447,311	419,652
DEFERRED INFLOWS OF RESOURCES (Note 15)	348	—	48	2,711	—	3,107	2,577
NET POSITION							
Net Investment in Capital Assets	2,594	—	8	124,607	—	127,209	272,760
Restricted for:							
Other Purposes	2,012	3,604	—	—	—	5,616	1,528
Unrestricted	(16,802)	1,003,608	(40,990)	(92,192)	—	853,624	(10,292)
Total Net Position (Note 19)	$ (12,196)	$ 1,007,212	$ (40,982)	$ 32,415	$ —	$ 986,449	$ 263,996
					Total Net Position Reported Above	$ 986,449	
					Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds	(4,450)	
					Net Position of Business-Type Activities	$ 981,999	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds				Totals	
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2018	Governmental Activities Internal Service Funds
Operating Revenues:						
Employer Contributions	$ —	$ 380,353	$ —	$ —	$ 380,353	$ 455,640
Employee Contributions	—	—	—	—	—	166,744
Federal Contracts	—	6,075	—	—	6,075	—
Medicare Part D Subsidy	—	—	—	—	—	8,107
Licenses, Fees, and Permits	—	—	12,937	10,499	23,436	3,834
Sales	1,418,267	—	—	4,387	1,422,654	26,711
Leases and Rentals	—	—	—	4,118	4,118	63,276
Charges for Services	—	—	—	24,205	24,205	127,811
Cost Reimbursement/Miscellaneous	142	—	—	268	410	40,678
Total Operating Revenues	1,418,409	386,428	12,937	43,477	1,861,251	892,801
Operating Expenses:						
Cost of Goods Sold	26,731	—	—	1,696	28,427	20,928
Personal Service	12,192	—	1,690	102,513	116,395	86,848
Operations	98,609	—	4,369	29,151	132,129	117,833
Prizes Expense	939,480	—	—	—	939,480	—
Specific Programs	—	—	15,244	1,669	16,913	13,321
Insurance Benefits	—	—	—	—	—	722,094
Unemployment Benefits	—	294,271	—	—	294,271	—
Depreciation/Amortization	1,069	—	4	4,865	5,938	24,213
Other Charges	8,746	—	—	650	9,396	13,107
Total Operating Expenses	1,086,827	294,271	21,307	140,544	1,542,949	998,344
Operating Income (Loss)	331,582	92,157	(8,370)	(97,067)	318,302	(105,543)
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	(49)	—	—	80,322	80,273	47
Interest Expense	—	—	—	(1)	(1)	(1,059)
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(1,730)	—	(66)	(64)	(1,860)	(2,773)
Interest	523	18,807	590	278	20,198	4,228
Penalties and Unclaimed Properties	—	—	—	399	399	1
Disposal of Capital Assets	32	—	—	662	694	(43)
Total Non-Operating Revenues (Expenses)	(1,224)	18,807	524	81,596	99,703	401
Income (Loss) Before Transfers	330,358	110,964	(7,846)	(15,471)	418,005	(105,142)
Capital Contributions	—	—	—	11,463	11,463	—
Transfers In (Note 17)	49	—	—	9,098	9,147	114
Transfers Out (Note 17)	(332,453)	(7,277)	—	(1,048)	(340,778)	(2,285)
Change in Net Position	(2,046)	103,687	(7,846)	4,042	97,837	(107,313)
Total Net Position - Beginning (Note 18)	(10,150)	903,525	(33,136)	28,373	888,612	371,309
Total Net Position - Ending (Note 19)	$ (12,196)	$ 1,007,212	$ (40,982)	$ 32,415	$ 986,449	$ 263,996
				Total Net Change in Net Assets Reported Above	$ 97,837	
				Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds	(1,037)	
				Change in Net Assets of Business-Type Activities	$ 96,800	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds					
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Totals June 30, 2018	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	$ —	$ 1,889	$ —	$ 646	$ 2,535	$ 649,100
Receipts from External Customers and Users	1,415,392	406,515	12,792	44,758	1,879,457	206,413
Payments to Suppliers	(126,084)	—	(4,311)	(28,555)	(158,950)	(135,217)
Payments to Employees	(10,237)	—	(1,397)	(87,571)	(99,205)	(73,621)
Payments to Other Funds for Services Provided	(729)	—	—	(2,305)	(3,034)	—
Payments Made for Program Expense	(944,080)	(290,988)	(13,094)	(1,669)	(1,249,831)	(731,891)
Other Receipts	142	—	—	268	410	40,678
Other Payments	(8,746)	—	—	(650)	(9,396)	(13,107)
Net Cash Provided (Used) by Operating Activities	325,658	117,416	(6,010)	(75,078)	361,986	(57,645)
Cash Flows from Non-Capital Financing Activities:						
Loans Made to Outside Entities	—	—	—	266	266	—
Due to Other Funds	—	(2,747)	2	28	(2,717)	130
Due from Other Funds	26,422	—	—	(363)	26,059	57
Contributions and Intergovernmental	(49)	—	—	79,933	79,884	36
Transfers to Other Funds	(332,453)	(7,277)	—	(1,048)	(340,778)	(2,285)
Transfers from Other Funds	49	—	—	9,098	9,147	79
Net Cash Provided (Used) by Non-Capital Financing Activities	(306,031)	(10,024)	2	87,914	(228,139)	(1,983)
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	—	—	—	(1)	(1)	(1,059)
Purchases and Construction of Capital Assets	(693)	—	(1)	(4,770)	(5,464)	(5,593)
Capital Lease Downpayment/Obligations	—	—	—	(128)	(128)	(7,091)
Disposal of Capital Assets	32	—	—	286	318	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(661)	—	(1)	(4,613)	(5,275)	(13,743)
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	—	—	9,619	761	10,380	1,224,274
Purchase of Investments	(3,193)	—	—	(4,044)	(7,237)	(1,225,045)
Interest and Dividends Received	464	18,807	565	250	20,086	4,162
Investment Fees	—	—	—	—	—	(31)
Penalties and Other Receipts	—	—	—	399	399	1
Net Cash Provided (Used) by Investing Activities	(2,729)	18,807	10,184	(2,634)	23,628	3,361
Net Increase (Decrease) in Cash	16,237	126,199	4,175	5,589	152,200	(70,010)
Cash and Cash Equivalents, Beginning of Year	14,759	793,576	12,207	4,175	824,717	131,839
Cash and Cash Equivalents, End of Year	$ 30,996	$ 919,775	$ 16,382	$ 9,764	$ 976,917	$ 61,829
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	$ 331,582	$ 92,157	$ (8,370)	$ (97,067)	$ 318,302	$ (105,543)
Depreciation/Amortization Expense	1,069	—	4	4,865	5,938	24,213
Changes in Assets and Liabilities:						
Accounts Receivable	(2,584)	21,976	(146)	2,280	21,526	2,354
Inventories	—	—	—	(51)	(51)	993
Deferred Outflows of Resources	(254)	—	(45)	(3,131)	(3,430)	(3,228)
Prepaid Items	—	—	—	—	—	(6)
Accounts Payable	(1,473)	3,283	58	38	1,906	2,557
Accrued Payroll	(6)	—	10	(123)	(119)	(27)
Unearned Revenue	(291)	—	1	(85)	(375)	1,036
Grand Prize Winner Liability	(4,600)	—	—	—	(4,600)	—
Claims Liability	—	—	2,150	—	2,150	3,524
Compensated Absences	18	—	16	(178)	(144)	(82)
Net OPEB Liability	221	—	30	1,709	1,960	1,437
Net Pension Liability	1,791	—	255	15,169	17,215	13,719
Deferred Inflows of Resources	185	—	27	1,496	1,708	1,408
Net Cash Provided (Used) by Operating Activities	$ 325,658	$ 117,416	$ (6,010)	$ (75,078)	$ 361,986	$ (57,645)
Non-Cash Financing and Investing Activities:						
Capital Lease Issuance	$ —	$ —	$ —	$ —	$ —	$ 2,215
Capital Asset Donations	49	—	—	389	438	11
Increase (Decrease) in Fair Value of Investments	(1,730)	—	(66)	(64)	(1,860)	(2,773)
Net Non-Cash Financing and Investing Activities	$ (1,681)	$ —	$ (66)	$ 325	$ (1,422)	$ (547)

The notes to the financial statements are an integral part of this statement.

*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2018
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	$ 3,540,263	$ 12,884	$ 90,543
Investments at Fair Value (Note 3):			
U.S. Government Securities	4,588,785	2,654	596,996
U.S. Agency Sponsored Securities	—	18,475	2,270
Repurchase	321	—	—
Stocks	653,542	73	15
Bonds	1,303,026	—	—
International Equities	853,977	—	—
Mutual and Index Funds	1,330,903	—	—
Limited Partnership	3,928,630	—	—
Other Investments	465,322	3,838	471
Invested Securities Lending Collateral (Note 3)	133,616	—	—
Assets Held in Escheat	—	12,653	—
Receivables:			
Accounts Receivable	149,207	26	516,171
Interest Receivable	56,078	13	1,076
Inventories	—	1	—
Prepaid Expenses	45	—	—
Capital Assets:			
Land	351	—	—
Buildings	4,829	—	—
Equipment	1,636	65	—
Software	4,028	99	—
Accumulated Depreciation/Amortization	(6,735)	(128)	—
Total Capital Assets, Net	4,109	36	—
Total Assets	17,007,824	50,653	$ 1,207,542
TOTAL DEFERRED OUTFLOWS OF RESOURCES (Note 15)	335	524	$ —
LIABILITIES			
Accounts Payable	186,230	946	$ 36
Obligations under Repurchase Agreements	3,853,969	—	—
Accrued Payroll	—	24	—
Due to Other Entities	—	—	1,179,795
Due to Individuals	—	—	27,711
Securities Lending Obligation (Note 3)	138,841	—	—
Unearned Revenue (Note 1)	4,183	—	—
Claims Liability	11,908	—	—
Compensated Absences	686	44	—
Net OPEB Liability	8,817	550	—
Net Pension Liability	—	1,276	—
Total Liabilities	4,204,634	2,840	$ 1,207,542
TOTAL DEFERRED INFLOWS OF RESOURCES (Note 15)	271	29	$ —
Net Position Restricted for Pension Benefits, OPEB, Deferred Compensation, and Other Purposes	$ 12,803,254	$ 48,308	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	$ 690,342	$ —
Plan Member	145,773	—
Other	105,599	—
Total Contributions	941,714	—
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	882,079	(709)
Interest and Dividends	187,212	788
Securities Lending Income	986	—
Other Income	160	—
Total Investment Earnings	1,070,437	79
Less Investment Expenses:		
Investment Activity Expense	(134,452)	—
Securities Lending Expense	(793)	—
Total Investment Expense	(135,245)	—
Net Investment Earnings (Loss)	935,192	79
Unclaimed Property	—	42,692
Cost Reimbursement/Miscellaneous	3,204	11,677
Total Additions	1,880,110	54,448
Deductions:		
Benefits	1,312,248	—
Administrative Expenses	25,316	2,389
Program Distributions	86,866	55,599
Inactive-vested Buyout Payments	61,041	—
Service Transfer Payments	2,060	—
Depreciation/Amortization	347	39
Total Deductions	1,487,878	58,027
Change in Net Position	392,232	(3,579)
Net Position - Beginning of Year (Note 18)	12,411,022	51,887
Net Position - End of Year	$ 12,803,254	$ 48,308

The notes to the financial statements are an integral part of this statement.

*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2018
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2018
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 457,645	$ 23,793	$ 481,438
Investments	378,075	41,221	419,296
Invested Securities Lending Collateral	5,012	—	5,012
Receivables, Net	481,039	2,622	483,661
Inventories	55,023	2	55,025
Restricted Assets:			
Cash and Cash Equivalents	211,034	567	211,601
Investments	40,597	15,339	55,936
Receivables, Net	21,254	2,980	24,234
Deposits and Prepaid Expenses	50,610	369	50,979
Other Assets	1,059	—	1,059
Total Current Assets	1,701,348	86,893	1,788,241
Non-Current Assets:			
Investments	2,319,082	44,634	2,363,716
Receivables, Net	125,999	25,542	151,541
Restricted Assets:			
Cash and Cash Equivalents	11,701	11,632	23,333
Investments	1,482,560	4,989	1,487,549
Receivables, Net	1,601	21,857	23,458
Other Assets	18,312	—	18,312
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	5,391,156	65,978	5,457,134
Total Non-Current Assets	9,350,411	174,632	9,525,043
Total Assets	11,051,759	261,525	11,313,284
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	599,464	1,350	600,814
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	474,092	271	474,363
Due to Primary Government (Note 16)	—	252	252
Securities Lending Obligation	5,012	—	5,012
Unearned Revenue (Note 1)	143,397	—	143,397
Deposits	93,367	—	93,367
Claims Liability (Note 22)	45,045	—	45,045
Compensated Absences	73,888	52	73,940
Capital Lease Obligations (Note 6)	5,832	—	5,832
Bonds and Notes Payable (Note 12)	345,872	223	346,095
Total Current Liabilities	1,186,505	798	1,187,303
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	51,355	—	51,355
Advance from Primary Government (Note 16)	—	267	267
Unearned Revenue (Note 1)	17,080	789	17,869
Deposits and Reserves	451	11,773	12,224
Claims Liability (Note 22)	42,225	—	42,225
Compensated Absences	32,865	58	32,923
Capital Lease Obligations (Note 6)	34,219	—	34,219
Bonds and Notes Payable (Note 12)	1,974,583	16,929	1,991,512
Net OPEB Liability	462,891	484	463,375
Net Pension Liability	1,636,738	2,455	1,639,193
Total Non-Current Liabilities	4,252,407	32,755	4,285,162
Total Liabilities	5,438,912	33,553	5,472,465
DEFERRED INFLOWS OF RESOURCES (Note 15)	104,214	176	104,390
NET POSITION			
Net Investment in Capital Assets	3,066,760	48,826	3,115,586
Restricted for:			
Expendable	610,644	—	610,644
Non-Expendable	1,245,997	—	1,245,997
Other Purposes	—	100,584	100,584
Unrestricted	1,184,696	79,736	1,264,432
Total Net Position	$ 6,108,097	$ 229,146	$ 6,337,243

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2018	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	$ —	$ 1,687	$ 1,687	$ —	$ 1,687
Student Tuition and Fees (Net of Scholarship Allow.)	1,017,485	—	1,017,485	—	1,017,485
Sales and Services of Educational Departments	51,352	—	51,352	—	51,352
Auxiliary Enterprises	2,020,189	—	2,020,189	—	2,020,189
Leases and Rentals	—	5,988	5,988	—	5,988
Cost Reimbursement/Miscellaneous	86,718	286	87,004	(2,654)	84,350
Total Charges for Services					3,181,051
Federal Appropriations, Grants, and Contracts	189,910	—	189,910	205,662	395,572
State Grants and Contracts	85,960	—	85,960	726,641	812,601
Private Gifts, Grants, and Contracts	84,068	—	84,068	101,207	185,275
Additions to Endowments	1,172	—	1,172	48,389	49,561
Total Operating Grants and Contributions					1,443,009
Interest Revenue	—	1,854	1,854	(1,854)	
Total Operating Revenues	3,536,854	9,815	3,546,669	1,077,391	
Expenses:					
Operating Expenses:					
Personal Service	2,833,720	1,748	2,835,468	—	2,835,468
Operations	—	3,628	3,628	—	3,628
Specific Programs	—	592	592	—	592
Scholarships and Fellowships	142,406	—	142,406	—	142,406
Utilities	34,407	—	34,407	—	34,407
Supplies and Other Services	1,196,154	—	1,196,154	—	1,196,154
Contracted Services	32,397	—	32,397	—	32,397
Interest Expense	—	—	—	97,038	97,038
Depreciation/Amortization	317,434	2,056	319,490	—	319,490
Miscellaneous	34,337	99	34,436	412	34,848
Total Operating Expenses	4,590,855	8,123	4,598,978	97,450	4,696,428
Operating Income (Loss)	(1,054,001)	1,692	(1,052,309)	979,941	
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	205,662	—	205,662	(205,662)	—
State Appropriations, Grants, and Contracts	726,641	—	726,641	(726,641)	—
Private Gifts, Grants, and Contracts	101,207	—	101,207	(101,207)	—
Contributions and Intergovernmental	—	6,292	6,292	—	6,292
Total Unrestricted Grants and Contributions					6,292
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investments	(70)	(602)	(672)	—	(672)
Investment and Endowment Income (Loss)	209,246	—	209,246	—	209,246
Interest	—	1,651	1,651	1,854	3,505
Interest and Bond Related Expenses	(96,424)	(614)	(97,038)	97,038	—
Gain (Loss) on Sale of Capital Assets	(1,845)	—	(1,845)	1,845	—
Miscellaneous Revenues (Expenses)	(2,654)	1,433	(1,221)	1,221	—
Total Unrestricted Investment Earnings					212,079
Total Non-Operating Revenues (Expenses)	1,141,763	8,160	1,149,923	(931,552)	
Income Before Other Revenues (Expenses) Or Gains (Losses)	87,762	9,852	97,614	48,389	
State Capital Appropriations	84,629	—	84,629	—	84,629
Total Capital Grants and Contributions					84,629
Additions to Endowments	48,389	—	48,389	(48,389)	—
Extraordinary Item	(17,908)	—	(17,908)	—	(17,908)
Change in Net Position	202,872	9,852	212,724	—	212,724
Net Position - Beginning of Year (Note 18)	5,905,225	219,294	6,124,519	—	6,124,519
Net Position - End of Year	$ 6,108,097	$ 229,146	$ 6,337,243	$ —	$ 6,337,243

The notes to the financial statements are an integral part of this statement.

*The **Notes to the Financial Statements** provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.*

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Note 1 - Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14, *The Financial Reporting Entity,* for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39, *Determining Whether Certain Entities are Component Units,* added a requirement to include all entities whose relationship with the State would make it misleading to exclude it. Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34,* improves financial reporting by amending GASB Statement No. 14, *The Financial Reporting Entity,* and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* in blending component units: 1) if there is a financial benefit or burden relationship with the primary government; 2) management of the primary government has operational responsibility for the component unit's activities; and 3) if the total outstanding debt is expected to be repaid entirely or almost entirely with the resources of the primary government. GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14,* requires component units to be blended if they are incorporated as not-for-profit corporations and the primary government is the sole corporate member.

In addition to the legislative, executive, and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Governmental Funds:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

Board of Private Investigator and Private Fire Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators and private fire investigators in Missouri. The seven member board shall consist of three private investigators, two private fire investigators, and two public members, appointed by the Governor. The Board is appointed by the primary government. It is therefore considered blended special revenue fund and shown in the financial statements as part of the primary government.

Note 1 - Significant Accounting Policies (cont.)

Coordinating Board for Early Childhood – The Board was created by state law within the Missouri Children's Services Commission. The Board's purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri's children from birth through age five. The 17 member Board is composed of representatives from the Governor's Office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. The majority of the board members are appointed by the primary government and, therefore, separate financial statements are not required for the Board.

Missouri State Penitentiary Redevelopment Commission – The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. The majority of the board members are appointed by the primary government. Therefore, it is considered a blended special revenue fund and is shown in the financial statements as part of the primary government.

Internal Service Funds:

Board of Public Buildings – This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds and pay the costs of operations.

Conservation Employees' Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of three members of the Plan appointed by the Conservation Commission which consist of two Conservation employees and Division Chief, the Chief Financial Officer, and the Human Resources Division Chief. Copies of the Plan's financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers' compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Note 1 - Significant Accounting Policies (cont.)

Missouri State Employee's Insurance Plan – The Plan was created to provide basic life insurance to eligible members and is administered through the Missouri State Employees' Retirement System (MOSERS). Death benefits, optional life insurance, and long-term disability benefits are also provided by the Plan for certain members. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

Missouri Consolidated Health Care Plan (MCHCP) – The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate; two members of the House; six members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; and the Commissioner of Administration. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

MoDOT/MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) – The System was created by state law and provides retirement, survivor, and disability benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. The MOSERS Board of Trustees also oversees the State's Deferred Compensation Plan which is administered by a third party. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

Note 1 - Significant Accounting Policies (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) – The System provides retirement, survivor, and disability benefits to qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the Missouri State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by the Missouri State Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired Missouri State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust – The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net position and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Missouri State Public Employees' Deferred Compensation Plan – The Missouri State Public Employees' Deferred Compensation Plan is administered by ICMA-RC and oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes $25, $30, or $35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. However, due to budget constraints, the State's contribution amount was suspended in March 2010. Copies of financial statements for both Plans may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
Jefferson City, Missouri 65102-0209

Note 1 - Significant Accounting Policies (cont.)

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

Major

College and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University
3026 Laclede Avenue
St. Louis, Missouri 63103

Lincoln University
820 Chestnut Street
Jefferson City, Missouri 65102

Missouri Southern State University
3950 East Newman Road
Joplin, Missouri 64801-1595

Missouri State University
901 South National Avenue, Room 119
Springfield, Missouri 65897

Missouri Western State University
4525 Downs Drive
St. Joseph, Missouri 64507

Northwest Missouri State University
107 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

Southeast Missouri State University
One University Plaza, Mail Stop 3200
Cape Girardeau, Missouri 63701

State Technical College of Missouri
One Technology Drive
Linn, Missouri 65051

Truman State University
Business Office
100 East Normal
Kirksville, Missouri 63501

University of Central Missouri
316 Administration Building
Warrensburg, Missouri 64093

University of Missouri System
118 University Hall
Columbia, Missouri 65211

Non-Major

Missouri Development Finance Board - The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable, tax-exempt, and public purpose infrastructure industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65102

Note 1 - Significant Accounting Policies (cont.)

Missouri Agricultural and Small Business Development Authority - The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation - The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities fund highway and transportation projects throughout the State. Missouri Transportation Finance Corporation's board determines which applicants are extended loans. Copies of the Corporation's financial statements may be requested from:

Missouri Department of Transportation
Central Office, Financial Services
105 West Capitol Avenue
Jefferson City, Missouri 65101

Missouri Wine and Grape Board – The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry.
The four other members include the director of the Department of Agriculture and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority – finances health and educational facilities.

Missouri Higher Education Loan Authority – provides a secondary market for loans made under the Federal Family Education Loan Program.

Missouri Housing Development Commission – finances the purchase, development or rehabilitation of affordable housing and funds housing assistance.

Note 1 - Significant Accounting Policies (cont.)

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

State Environmental Improvement and Energy Resources Authority – finances, acquires, constructs, and equips projects to reduce, prevent, and control pollution and develop the energy resources of the State.

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers' Organization – organized for boll weevil eradication.

KCT Intermodal Transportation Corporation – organized to pay for a railroad bridge in the Blue Valley Industrial District in Kansas City.

Westside Intermodal Transportation Corporation – organized to pay for rail additions and improvements of the Kansas City Terminal Railway.

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

Board of Trustees of the Missouri Mesothelioma Risk Management Fund – provides coverage of liabilities for participating employers relating to mesothelioma awards.

P-20 Council – organized to create a more efficient and effective education system that more adequately prepares students for the challenges of entering the workforce.

Missouri Propane Safety Commission – responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri.

Missouri Family Trust Board of Trustees – provides trust services for persons with disabilities.

Note 1 - Significant Accounting Policies (cont.)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The Statement of Net Position presents the reporting entity's non-fiduciary, assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Indirect costs, such as depreciation/amortization expense, are included in the direct expenses reported for individual functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

Note 1 - Significant Accounting Policies (cont.)

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method.

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets, deferred outflows, liabilities, and deferred inflows associated with the operation of these funds are included on the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net position. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to the college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund. Major revenues include contributions and taxes.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans. Major revenues include contributions and taxes.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment. Major revenues include contributions, taxes and licenses, fees, and permits.

Missouri Road Fund – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Major revenues are from contributions.

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes. Major revenues are from sales of lottery tickets.

Note 1 - Significant Accounting Policies (cont.)

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits. Major revenues include federal and employer contributions.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks. Major revenues are from fees.

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

Discretely Presented Component Units:

Major

College and Universities account for moneys from student tuition and fees, federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, grants, and other revenue sources. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of 92 days or less, such as certificates of deposit, money market certificates, and repurchase agreements. Cash and cash equivalents on the Proprietary Funds Statement of Cash Flows are also reported under this definition. This definition excludes Fiduciary funds. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3)*.

Note 1 - Significant Accounting Policies (cont.)

E. Investments

These are long-term investments with an original maturity greater than 92 days which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. Repurchase agreements held by the State Treasurer's Office are reported at amortized cost. The Missouri State Public Employees' Deferred Compensation Plan and the Missouri State Public Employees' Deferred Compensation Incentive Plan report their Stable Value Funds at contract value. All other investments of the State are reported at fair value.

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" or "due from primary government/component units" on the Balance Sheet and Statement of Net Position. Payables are classified as "due to other funds" or "due to primary government/component units" on the Balance Sheet and Statement of Net Position (see *Note 16)*. These receivables/payables are due within one year. Any receivables/payables that are due to and due from an enterprise fund are eliminated on the face of the Proprietary Funds Statement of Net Position. If any receivables/payables that remain after this elimination are both in the same activity (Governmental), they are eliminated at the Government-Wide Statement of Net Position. Interfund receivables/payables between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

G. Advances to/from Other Funds

Long-term interfund receivables are classified as "advances to other funds" or "advances to primary government/component units" on the Balance Sheet and Statement of Net Position. Long-term interfund payables are classified as "advances from other funds" or "advances from primary government/component units" on the Balance Sheet and Statement of Net Position (see *Note 16)*. These receivables/payables are eliminated if both the receivable and payable are in the same activity (Governmental). Advances to/from that are between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method. Inventory balances for governmental funds are shown in the nonspendable fund balance classification. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

Note 1 - Significant Accounting Policies (cont.)

I. Capital Assets

Capital assets, which include construction in progress, software in progress, infrastructure in progress, land, land improvements, permanent and temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated acquisition value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement (see *Notes 5 and 6)*.

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements – $15,000, buildings and improvements – $15,000, software and trademarks – $5,000, and equipment – $1,000. No dollar threshold is set for land, easements, or infrastructure.

Capital assets are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 to 50 years, land improvements and building improvements – 15 to 20 years, temporary easements – term of easement, equipment – 2 to 5 years, software – 3 to 5 years, trademarks – 10 years, and infrastructure – 12 to 50 years. Construction in progress, software in progress, infrastructure in progress, land, and permanent easements are not depreciated/amortized.

Most works of art and historical treasures are not capitalized or depreciated/amortized. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, equipment – 5 to 15 years, and software – 3 to 5 years.

J. Deferred Outflow of Resources and Deferred Inflow of Resources

In addition to assets, the Statement of Net Position/Balance Sheet may report a separate line item for deferred outflows of resources. Deferred outflows of resources consist of the decrease of net position by the State that is applicable to a future reporting period and will not be recognized as outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position/Balance Sheet may report a separate line item for deferred inflows of resources. Deferred inflows of resources consist of the increase of net position by the State that is applicable to a future reporting period and will not be recognized as inflow of resources (revenue) until then.

K. Unearned Revenues

Unearned revenues are amounts collected in advance of the year in which earned.

Note 1 - Significant Accounting Policies (cont.)

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11)*.

2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12)*.

3. Outstanding principal for bonds issued by the Board of Public Buildings, bonds issued by the Health and Educational Facilities Authority, the Regional Convention and Sports Complex Authority, the Missouri Development Finance Board, and the State Road Bonds issued by the Missouri Highways and Transportation Commission. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12)*.

4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

   In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11)*.

5. Obligations under lease/purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, proprietary funds, and the Missouri Road Fund (see *Notes 6 and 11)*.

6. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 11 and 23)*.

7. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds, but are recorded as expenditures when paid (see *Note 11)*.

   Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

   Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State. However, unused sick leave may be converted to additional credited service upon retirement (usable only for benefit computation, not eligibility).

Note 1 - Significant Accounting Policies (cont.)

8. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 22, and 24)*.

9. The State provides postemployment health care (OPEB) and life insurance benefits to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT/MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). MCHCP is a cost-sharing multiple-employer defined benefit plan, while MHPML and CEIP are single-employer defined benefit plans. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. The University of Missouri's OPEB plan is a single-employer defined benefit plan for all qualified employees.

   For the purposes of measuring the total/net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from have been recognized on the same basis as they are reported by the plans. Employer contributions are recognized as revenue and reported when due and payable. Benefits are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value (see *Note 8)*.

10. The State has two major retirement systems which cover substantially all State employees and a retirement plan for University of Missouri employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple employer defined benefit public employee retirement plan administered by MOSERS. MOSERS also administers the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employee retirement plan. The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees.

    For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see *Note 7)*.

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

M. Net Position and Fund Balance

The difference between fund assets, deferred outflows, liabilities, and deferred inflows is reported as "Net Position" on the government-wide, proprietary, and fiduciary fund statements and "Fund Balance" on the governmental fund financial statements.

Net Position is reported in three categories:

Net Investment in Capital Assets – An account used to segregate the portion of net position attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributed to acquisition, construction, or improvement of those assets.

Note 1 - Significant Accounting Policies (cont.)

Restricted Net Position – An account used to segregate the portion of net position that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2018, net position restricted by enabling legislation equaled $500,692,000 for governmental activities.

Unrestricted Net Position – An account used to segregate the portion of net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

Governmental Fund Balance Classifications

The State's fund balances are classified as:

Nonspendable – Amounts that are not expected to be converted to cash or amounts that are legally or contractually required to be maintained intact.

Restricted – Amounts that are restricted for specific purpose due to constraints that are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the legislature. Committed amounts cannot be used for other purposes unless the General Assembly passes legislation to remove the restraints.

Assigned – Amounts that are constrained by the legislature's intent to be used for a specific purpose, but do not meet the criteria for restricted or committed. The constraint for assigned fund balance is established by the Revised Statutes of the State of Missouri.

Unassigned – Amounts that do not meet the criteria of any of the classifications listed above.

Negative Fund Balance

A negative fund balance is prohibited in all fund balance classifications except Unassigned. When a negative fund balance exists, the shortfall would be covered by the next fund balance classification for that specific purpose.

N. Interfund Transactions

During the fiscal year, the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. Interfund transactions consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses, if they involved organizations external to the State, are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.

2. Transactions that reimburse another fund for an expense reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.

Note 1 - Significant Accounting Policies (cont.)

3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 17)*. These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the governmental activities are eliminated at the Government-Wide Statement of Activities.

O. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component of social assistance.

Property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 - Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2018:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which replaces existing and establishes new accounting and financial reporting standards for other postemployment benefits (OPEB) that are provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee services. Note disclosure and required supplementary information requirements for OPEB are also addressed. The implementation of this statement is reflected in *Note 8 - Other Postemployment Benefits* of the financial statements.

- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, which provides standards for the recognition and measurement requirements for irrevocable split-interest agreements. The implementation of this statement resulted in the University of Missouri to record a Deferred Inflow of Resources for changes in the University's remainder interest.

- GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during implementation and application of certain GASB statements. The topics addressed include issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of this statement did not have an impact on the financial statements.

- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which provides accounting and financial reporting standards for transactions in which cash and other monetary assets acquired with only existing resources or acquired with refunding debt proceeds are placed in an irrevocable trust for the sole purpose of extinguishing debt. It also addresses accounting and financial reporting requirements for prepaid insurance related to debt extinguishment. Additional disclosures are required for all in-substance defeasance transactions as well. The implementation of this statement did not have an impact on the financial statements.

Note 3 - Deposits and Investments

The State Treasurer's Office maintains a cash and short-term investment pool that is used by substantially all state funds of the primary government. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets – Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2018.

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law and stipulations in the State Treasurer's Office Investment Policy. Custodial credit risk is risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateralized securities that are in the possession of an outside party. Statutes restrict the State Treasurer's Office to deposit funds in financial institutions that are physically located in Missouri, which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% in excess of FDIC coverage with approved securities. Deposits must have a maturity of five years or less and earn interest at varying rates based on State law.

Primary Government

At June 30, 2018, the bank balance of the primary government's deposits was $1,575,317,000. Of the bank amount, $19,485,000 was exposed to custodial credit risk by being uninsured and collateralized with securities held by the pledging financial institutions, $918,533,000 was held by the U.S. Treasury, and the remainder was not exposed to custodial risk.

Fiduciary

At June 30, 2018, the bank balance of the deposits of the fiduciary funds was $96,660,000.

Component Units

Information on the component units' deposits is available within their individual financial statements.

B. Investments

Statutes authorize the State Treasurer's Office to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury, or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2018.

The State Treasurer's Office minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer's Office also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the State Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer's Office minimizes custodial credit risk by requiring that all securities be held in the State's name at the State's custodial bank, Wells Fargo Bank, National Association, or at one of the State Treasurer's Office approved collateral custodians.

Note 3 - Deposits and Investments (cont.)

Primary Government

At June 30, 2018, the reported amount of the primary government's investments was $3,699,058,000. Of this amount, $156,866,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

Fiduciary

At June 30, 2018, the reported amount of the fiduciary funds investments was $17,303,744,000.

Component Units

Information on the component units investments is available within their individual financial statements.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State's investments. Statutes also authorize investment of funds not held by the State Treasurer's Office. The externally-held internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, fixed income securities, mutual funds, and investments in limited partnerships. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity, or in certain instances, a weighted average maturity in years. The State Treasurer's Office minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 2.5 years, and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less.

	Maturity in Years					
	Less than 1	1-5	6-10	More than 10	No Maturity	Total Fair Value *
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Treasury Securities	$ 288,372	$ 60,782	$ 11,077	$ 6,278	$ —	$ 366,509
U.S. Agency Securities	187,736	1,816,074	—	—	—	2,003,810
U.S. Government Guaranteed Mortgages	42	3,493	—	—	—	3,535
Collateralized Mortgage Obligations	16	1,999	—	—	—	2,015
U.S. Agency-Sponsored Securities	12,852	112,121	2,520	—	—	127,493
Repurchase Agreements	1,183,096	—	—	—	—	1,183,096
Stocks	—	—	—	—	6,900	6,900
Bonds	503	517	289	608	—	1,917
Certificates of Deposit	200	393	—	—	—	593
Mutual Funds	—	—	—	—	3,190	3,190
Subtotal	1,672,817	1,995,379	13,886	6,886	10,090	3,699,058

Note 3 - Deposits and Investments (cont.)

	Maturity in Years					
	Less than 1	1-5	6-10	More Than 10	No Maturity	Total Fair Value *
Fiduciary Funds:						
U.S. Government Securities	46,098	16,245	7,841	57,822	—	128,006
U.S. Treasury Securities	1,356,051	2,043,238	—	1,474,868	—	4,874,157
U.S. Agency Securities	1,976	21,084	46,057	93,037	—	162,154
U.S. Government Mortgage-Backed Securities	—	14,892	454	29,947	—	45,293
Repurchase Agreements	28,867	—	—	—	—	28,867
Stocks	—	—	—	—	653,630	653,630
Bonds	—	1,115,240	37,286	150,299	201	1,303,026
International Equities	—	48,549	—	—	805,428	853,977
Mortgages/ Real Estate	—	495	8,605	39,302	7	48,409
Asset-Backed Securities	—	12,501	42,123	153,047	—	207,671
Short-Term Securities	3,581,556	—	—	—	—	3,581,556
Foreign Currencies	1,122	—	—	—	—	1,122
Mutual Funds	—	—	—	—	1,330,904	1,330,904
Limited Partnership	—	—	—	—	3,928,630	3,928,630
Absolute Return	—	—	—	—	147,595	147,595
Tactical Fixed Income	—	—	978	—	—	978
Other	—	—	—	—	7,769	7,769
Subtotal	5,015,670	3,272,244	143,344	1,998,322	6,874,164	17,303,744
Total Investments	$ 6,688,487	$ 5,267,623	$ 157,230	$ 2,005,208	$ 6,884,254	$ 21,002,802

*The State Treasurer's Office reports their repurchase agreements in the amount of $1,167,000 at amortized costs. The Missouri State Public Employees Deferred Compensation Plan and the Missouri State Public Employees Deferred Compensation Incentive Plan reports their Stable Value Funds in the amounts of $470,000 and $349,000 respectively, at contract value.

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer's Office from investing more than 10% of the total time deposits with any single financial institution. State investment policy limits investment in commercial paper to 5% of the total portfolio per issuer and no more than 15% of the total portfolio may be invested in repurchase agreements with a single counterparty. There are no restrictions in the amount that can be invested in U.S. securities. During fiscal year 2018, the State did not have any instances of noncompliance with these requirements and policies.

Note 3 - Deposits and Investments (cont.)

Fair Value Measurement

The State of Missouri categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application.* The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are unobservable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lower level input that is significant to the valuation. The State's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The State Treasurer's Office uses the market approach for the determination of the fair value of investments, except for repurchase agreements, which are measured at amortized costs.

Debt, equities, and investment derivatives classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt securities and liabilities classified in level 2 have non-proprietary information that was readily available to market participants from multiple independent sources, which are known to be actively involved in the market. Pricing inputs may include market quotations, yields, maturities, call features, and ratings. A portion of the derivative securities classified in level 2 are securities whose values are derived daily from associated traded securities. Other investments listed as level 2 include debt securities where an independent pricing evaluator had direct observable information, including: trading volume, multiple sources of market data and benchmark spreads. FX forwards are included due to the valuation coming from observable forward rates on the underlying currencies. The equity index swap is included because valuation inputs include an observable interest rate and the underlying index.

Private equity securities classified at level 2 are valued at the price observed in subsequent market activity.

Investments listed as level 3 include debt securities where an independent pricing evaluator did not have direct observable information for comparable securities. Significant inputs used in the valuation are not available aside from the evaluator providing the price. Direct investments in private equity, real estate, credit, and real assets are included because the valuation techniques utilize discounted cash flows or other non-observable market information.

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2018 for the Primary Government (in thousands):

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Repurchase Agreements	$ 31,112	$ 6,027	$ 25,085	$ —
Stocks	6,900	6,900	—	—
Mutual Funds	3,190	3,190	—	—
Total Equity Securities	41,202	16,117	25,085	—
Debt Securities				
U.S. Treasury Securities	366,509	48,390	318,119	—
U.S. Agency Securities	2,003,810	—	2,003,810	—
U.S. Government Guaranteed Mortgages	3,535	—	3,535	—
Collateralized Mortgage Obligations	2,015	—	2,015	—
U.S. Agency- Sponsored Securities	127,493	—	127,493	—
Bonds	1,917	1,917	—	—
Certificates of Deposit	593	593	—	—
Total Debt Securities	2,505,872	50,900	2,454,972	—
Total Primary Government Investments	$ 2,547,074	$ 67,017	$ 2,480,057	$ —

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2018 for the Fiduciary funds (in thousands):

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short Term Securities	$ 51,348	$ 51,348	$ —	$ —
Equity Securities				
Stocks	288,927	288,250	671	6
Mutual Funds	427,947	427,947	—	—
Other Investments	7,769	7,769	—	—
Total Equity Securities	724,643	723,966	671	6
Debt Securities				
U.S. Treasury Securities	5,829,569	5,770,420	59,149	—
U.S. Agency Securities	1,041,261	—	1,041,261	—
U.S. Short-Term Securities	665,709	665,709	—	—
Collateralized Debt Obligations	206,641	—	80,663	125,978
Repurchase Agreements	1,100,321	—	1,100,321	—
Bonds	436,472	—	428,158	8,314
Foreign Debt Securities	88,486	—	88,486	—
Mortgage Backed Securities	109,993	—	91,358	18,635
Total Debt Securities	9,478,452	6,436,129	2,889,396	152,927
Private Markets*				
Private Equity	369,745	—	—	369,745
Real Estate	97,659	—	—	97,659
Real Assets	256,324	—	—	256,324
Opportunistic Debt	188,087	—	—	188,087
Total Private Markets	911,815	—	—	911,815
Reverse Repurchase Agreements	(3,853,969)	—	(3,853,969)	—

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2018 for the Fiduciary funds (in thousands) (cont.):

	Total	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Derivative Instruments				
Future Contracts	$ 20,087	$ 20,087	$ —	$ —
Foreign Exchange Foreign Contracts	(363)	(363)	—	—
Swap Market Value	(35,521)	—	(35,521)	—
Equity Swaps	(2,387)	—	(2,387)	—
FX Forwards (assets)	751	—	751	—
Total Investment Derivative Instruments	(17,433)	19,724	(37,157)	—
Total Investments by Fair Value Level	$ 7,294,856	$ 7,231,167	$ (1,001,059)	$ 1,064,748

Investments Measured at the Net Asset Value (NAV):

	Total
Active Hedge Funds	$ 2,211,125
Commingled international equity funds	1,294,155
MOSERS investment portfolio fund	4,043
Missouri target date funds	903,869
Private equity funds	597,947
Private real estate funds	91,534
Private timber funds	192,307
Total investments Measured at NAV	$ 5,294,980
Total Investments Measured at Fair Value	$ 12,589,836
Other Investments	
Other cash and receivables/payables	$ (25,590)
Reported at Contract Value	818,693
Total Other Investments	$ 793,103

*As of June 30 2018, Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) has unfunded commitments in private markets investments consisting of $111,409,000 in private equity, $109,972,000 in real estate, $95,104,000 in real assets, and $89,753,000 in opportunistic debt.

Note 3 - Deposits and Investments (cont.)

Investments Measured at the Net Asset Value as of June 30, 2018 (in thousands):

Investments	Fair Value	Unfunded Commitments (U.S. Dollars)	Redemption Frequency (If currently eligible)	Redemption Notice Period (Days)
Active hedge funds				
Activist equity[1]	29,984	$ —	Yearly, Every 3 Years	90
Commodity trading advisors[2]	8,833	—	Monthly	30
Equity long/short[3]	283,435	—	Quarterly, Semi-Annually, Annually for MOSERS; Quarterly for MPERS	30-60
Equity market neutral[4]	115,349	—	Quarterly for MOSERS; Monthly for MPERS	90
Event driven[5]	244,741	—	Quarterly for MOSERS; Monthly for MPERS	60-90
Fund-of-funds[6]	205,209	—	Monthly	95
Global asset allocation[7]	30,780	—	Monthly	5-60
In liquidation[8]	40,361	—	N/A	N/A
Macro[9]	172,396	—	Monthly, Quarterly	30
Merger arbitrage[10]	121,279	—	Monthly	45
Multi-strategies[11]	21,848	—	Quarterly	60-90
Risk parity[12]	597,440	—	Monthly	5-15
Risk premia[13]	327,666	—	Bi-weekly, Monthly	15-30
Structured credit - relative value[14]	11,804	—	Quarterly	60
Total active hedge funds	2,211,125	—		
Commingled international equity funds[15]	1,294,155	—	Daily, Monthly	0-90
MOSERS investment portfolio fund[16]	4,043	—	Monthly	None
Missouri target date funds[17]	903,869	—	Daily	None
Private equity funds[18]	597,947	259,230	N/A	N/A
Private real estate funds[18]	91,534	10,568	N/A	N/A
Private timber funds[18]	192,307	—	N/A	N/A
Total investments measured at NAV	5,294,980	269,798		

The following is a description of valuation methodologies used for assets recorded at fair value.

[1]Activist equity – This value is 100% from MPERS. Consisting of 2 funds, this strategy focuses on obtaining publicly traded shares of companies and effecting changes within the companies that it owns whether that be value creation through operational, financial or corporate governance changes. One fund's focus is on North American companies and the other fund's focus is on European and Nordic companies. Due to contractual lock-up restrictions and the necessity for activist managers to retain capital in order to realize desired company changes, 50% of this strategy's investments are eligible for redemption on a rolling 3-year basis. The remaining 50% are eligible for redemption on a rolling 1-year basis.

[2]Commodity trading advisors – This value is 100% from MPERS. Consisting of 1 fund, the focus is on a systematic strategy that follows medium-term trends. The value of this investment is eligible for redemption in the next 2 months.

Note 3 - Deposits and Investments (cont.)

[3]Long/short equity hedge funds – This value is 94.9% from MOSERS and 5.1% from MPERS. Consisting of 3 funds for MOSERS and 1 fund for MPERS, this strategy invests both long and short in U.S. and global equity securities, with a goal of adding growth and minimizing market exposure. Due to contractual lock-up restrictions, these investments remain restricted ranging anywhere from 4 to 12 months for MOSERS and within 6 months for MPERS.

[4]Equity market neutral hedge fund – This value is 86.5% from MOSERS and 13.5% from MPERS. For MOSERS, this consists of 1 fund whereby the strategy invests both long and short in U.S. and global equity securities, with the goal of having little to no net market exposure. This investment is redeemable quarterly and is not subject to lockup restrictions. For MPERS, this consists of 1 fund whereby the strategy invests in both long and short equities capturing price differences and seeks to maintain a neutral exposure to the market by having no sector, industry, market capitalization, or country biases. Due to contractual lock-up restrictions, the value of these investments is eligible for redemption in the next 4 months.

[5]Event driven hedge funds – This value is 94.4% from MOSERS (with a redemption period of 60-65 days) and 5.6% from MPERS (with a redemption period of 90 days). Consisting of 1 fund for MOSERS and 1 fund for MPERS, this strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a merger, corporate action, or related event. Due to contractual lock-up restrictions, (a) approximately 19% of the value of these investments are eligible for redemption quarterly, with the remaining 81% of the value of these investments remaining restricted for 4 to 20 months for MOSERS and (b) the value of these investments is eligible for redemption in the next 4 months for MPERS.

[6]Fund-of-funds – This value is 100% from MOSERS. Consisting of 1 fund, this fund seeks to provide diversification by holding a number of funds within a single fund structure. This investment is redeemable monthly and is not subject to lock-up restrictions.

[7]Global asset allocation – This value is 100% from MPERS. Consisting of 1 fund, this strategy is highly diversified and uses fundamental research to develop systematic rules for trading positions. Due to contractual lock-up restrictions, the value of these investments is eligible for redemption in the next 35 days.

[8]Pending liquidated hedge funds – This value is 98.5% from MOSERS and 1.5% from MPERS. MOSERS has 11 hedge funds that have been fully redeemed as of June 30, 2018, which are awaiting final distribution of the proceeds. MPERS has a small investment in 2 hedge funds that are in liquidation and have been closed, which are awaiting the sale of the final assets.

[9]Macro hedge funds – This value is 100% from MOSERS. Consisting of 2 funds, this strategy seeks to take advantage of macroeconomic dislocations between countries by trading a number of different markets and financial instruments. This investment is redeemable monthly and quarterly and is not subject to lock-up restrictions.

[10]Merger arbitrage hedge fund – This value is 100% from MOSERS. Consisting of 1 fund, this strategy invests in the common stock of companies that are involved in publicly announced mergers and seeks to generate attractive returns while dampening volatility. This investment is redeemable monthly and is not subject to lock-up restrictions.

[11]Multi-strategy hedge fund – This value is 100% from MPERS. Consisting of 2 funds, these investments aim to pursue varying strategies in order to diversify risks and reduce volatility. Due to contractual lock-up restrictions, the value of these investments are eligible for redemption in the next 6 months.

[12]Risk parity funds – This value is 100% from MOSERS. Consisting of 2 funds, these strategies attempt to build a more efficient portfolio through an equal risk methodology. They take long only positions across equity indices, developed nominal bonds, TIPS, commodities and credit. Diversification benefits decrease both the expected return and volatility thus requiring leverage to maintain a similar return to a more conventional portfolio. These investments are redeemable monthly and are not subject to lock-up restrictions.

[13]Risk premia hedge funds – This value is 100% from MOSERS. Consisting of 1 funds, this strategy seeks to capture hedge fund betas through the use of systematic, bottoms up security selection across major hedge fund strategies. Style premia such as value, momentum and carry help build the long/short portfolios. This investment is redeemable at least monthly and is not subject to lock-up restrictions.

Note 3 - Deposits and Investments (cont.)

[14]Structured credit – relative value – This value is 100% from MPERS. Consisting of 1 fund, this strategy's main focus is to benefit from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing or selling these instruments. Due to contractual lock-up restrictions, all funds are eligible for redemption within the next six months.

[15]Commingled international equity funds – This value is 73.3% from MOSERS (with a redemption period of 1-30 days) and 26.7% from MPERS (with a redemption period of 0-30 days and 90 days). These international equity funds (3 for MOSERS and 3 for MPERS) are considered to be commingled in nature. For MOSERS, each are valued at the net asset value held at the end of the period based upon the fair value of the underlying investments. For MPERS, due to contractual lock-up restrictions, 70% of this capital is eligible for redemption in 1 month; the remaining 30% has daily liquidity.

[16]MOSERS Investment Portfolio (MIP) fund - This value is 86.4% from the Deferred Compensation Plan and 13.6% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur monthly. The significant investment strategies are designed to achieve long-term total returns, comprised of capital appreciation and income. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor do the Plans have any contractual obligations to further invest in any of these funds.

[17]Missouri target date funds - This value is 77.5% from Deferred Compensation Plan and 22.5% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur daily. The significant investment strategies of the funds are to seek the highest total return over time, consistent with the fund's asset mix. The asset allocations within these target date funds adjust automatically over time. Each fund invests more aggressively in its early years and becomes more conservative as it reaches its time horizon. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor are there any contractual obligations to further invest in any of these funds.

[18]Private equity, real estate and timber funds – This value is 100% from MOSERS. MOSERS' private equity portfolio consists of 46 funds with exposure to buyout funds, distressed funds, infrastructure, energy, royalty funds, and special situations. The real estate portfolio, comprised of five funds, invests mainly in U.S. commercial real estate. The timber portfolio consists of 3 funds which invests in global timberland. The fair values of the majority of these funds has been determined using net assets valued 1 quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. Distributions are received when underlying investments within the funds are liquidated, which on average, can occur over the span of 5 to 10 years.

The State Treasurer's Office requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (such as A1/P1) as rated by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). The Treasurer does not have any additional policies regarding credit ratings of investments.

Note 3 - Deposits and Investments (cont.)

The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	Moody's	S & P	Fair Value
Primary Government/Fiduciary:			
U.S. Government Securities	NR	NR	$ 81,885
U.S. Treasury	Aaa	AA+	322,593
	Aaa	NR	618,962
	NR	NR	32,798
U.S. Agencies	Aaa	NR	47,343
	NR	AA	99,683
	NR	NR	10,448
U.S. Government Mortgage-Backed Securities	NR	NR	31,900
Bonds	Aaa	NR	514
	Aa1	NR	393
	Aa3	NR	207
	A+	NR	11,130
	A3	NR	137
	NR	AAA	67,547
	NR	AA+	818,693
	NR	AA	100,316
	NR	A	108,241
	NR	BBB	166,435
	NR	BB	3,421
	NR	NR	35,408
Repurchase Agreements	Aaa	AA+	20,371
	Aaa	NR	6,026
	NR	NR	2,267,438
U.S. Agency-Sponsored Securities	Aaa	AA+	2,081,419
	Aaa	NR	2,443
	NR	NR	49,946

Note 3 - Deposits and Investments (cont.)

	Moody's	S & P	Fair Value
Asset-Backed Securities	NR	AAA	$ 34,899
	NR	AA	50,285
	NR	A	15,052
	NR	BB	5,978
	NR	NR	102,102
Mutual Funds	3-STAR	NR	25,520
Certificates of Deposit	NR	NR	593
Pooled Investments	NR	AAA	60,847
	NR	NR	977
Implicit U.S. Agencies	NR	AA	847,566
U.S. Agency Securities	Aaa	AA+	4,618
U.S Government Guaranteed Mortgages	Aaa	AA+	2,353
	Aaa	NR	14,575
Collateralized Mortgage Obligations	Aaa	AA+	2,015
	Aaa	NR	8,605
Equities	A	NR	19,167
Equity Funds	NR	NR	2,947
Fixed Income	NR	NR	243
Stocks	NR	NR	6,914
Other	NR	AAA	8,566
	NR	AA	19,550
	NR	A	7,965
	NR	BBB	25,020
	NR	BB	15,837
	NR	B	855
	NR	CCC	626
	NR	CC	306
	NR	D	899
	NR	NR	28,134
Total Rated Investments			$ 8,298,711

NR = Not Rated.

Note 3 - Deposits and Investments (cont.)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

	Investment Type					
Currency	Cash	Equities	Fixed Income	Alternatives	Real Estate	Total
Australian Dollar	$ (230)	$ 1,402	$ (495)	$ —	$ —	$ 677
Brazilian Real	4	5,348	5,519	—	—	10,871
British Pound Sterling	(811)	129,762	119	—	10,401	139,471
Canadian Dollar	2,653	10,635	(1,002)	—	—	12,286
Chilean Peso	6	837	177	—	—	1,020
Colombian Peso	7	296	3,968	—	—	4,271
Czech Koruna	3	167	866	—	—	1,036
Danish Krone	—	1,919	—	—	—	1,919
Egyptian Pound	—	101	—	—	—	101
Euro	439	137,412	2,315	667	21,539	162,372
Hong Kong Dollar	(63)	96,379	—	—	—	96,316
Hungarian Forint	2	254	—	—	—	256
Indian Rupee	21	7,883	—	—	—	7,904
Indonesian Rupiah	40	1,757	5,486	—	—	7,283
Japanese Yen	(96)	251,765	—	—	—	251,669
Kazakhstan Tenge	—	—	145	—	—	145
Malaysian Ringgit	6	2,126	—	—	—	2,132
Mexican Peso	5	4,292	6,628	—	—	10,925
Norwegian Krone	—	85	—	—	—	85
Pakistani Rupee	2	44	—	—	—	46
Peruvian Nuevo Sol	—	—	377	—	—	377
Philippine Peso	2	865	—	—	—	867
Polish Zloty	2	1,029	5,093	—	—	6,124
Qatari Riyal	1	728	—	—	—	729
Romanian New Leu	—	—	722	—	—	722
Russian Ruble	—	1,187	5,872	—	—	7,059
Singapore Dollar	—	24,000	—	—	—	24,000
South African Rand	67	5,571	5,509	—	—	11,147
South Korean Won	(645)	27,252	642	—	—	27,249
Swedish Krona	—	8,769	—	—	—	8,769
Swiss Franc	—	91,713	—	—	—	91,713
Taiwan New Dollar	(363)	—	—	—	—	(363)
Thai Baht	18	18,980	1,122	—	—	20,120
Turkish Lira	2	9,886	4,179	—	—	14,067
United Arab Emirates Dirham	1	507	—	—	—	508
Uruguayan Peso	—	—	417	—	—	417
Total	$ 1,073	$ 842,951	$ 47,659	$ 667	$ 31,940	$ 924,290

Note 3 - Deposits and Investments (cont.)

C. Securities Lending Program

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Certain securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default.

Deutsche Bank AG, New York Branch served as the agent for the fixed income, domestic equity, and international equity securities lending programs. MOSERS reduces credit risk by allowing Deutsche Bank to lend these securities to a diverse group of dealers on behalf of MOSERS. Deutsche Bank provides indemnification against dealer default. With each of MOSERS' securities lending programs, a majority of loans are open loans and can be terminated on demand by either MOSERS or the borrower. Net income from the three lending programs is split on a 90/10 basis between MOSERS and Deutsche Bank, respectively.

Daily monitoring of securities that are on loan ensure proper collateralization levels and mitigate counterparty risk. Cash collateral from all three programs is commingled and invested in a separately managed short-term investment account for MOSERS. The cash collateral account is managed by Deutsche Bank. On June 30, 2018, there were no securities on loans or cash collateral held in the account. At June 30, 2018 and June 30, 2017, MOSERS had earned $0 and $22,000, respectively, on the securities lending program.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. MPERS custodial bank, Northern Trust, is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

MPERS may lend securities and receive cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. MPERS cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers are required to deliver collateral for each loan equal to: 1) 102% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities denominated in United States dollars or whose primary trading market is located in the United States, and 2) 105% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States.

MPERS did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

MPERS and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2018, the cash collateral fund had a fair value of $133,616,000.

At June 30, 2018 and June 30, 2017, MPERS had earned $193,000 and $278,000, respectively, on the securities lending program.

Component Units:

Information on the component units securities lending program is available within their individual financial statements.

Note 3 - Deposits and Investments (cont.)

D. Derivatives

Missouri State Employees' Retirement System:

While the Board has no formal policy specific to derivatives, Missouri State Employees' Retirement System (MOSERS), through its external investment managers, holds investments in futures contracts, swap contracts and forward foreign currency exchange contracts. MOSERS does not anticipate additional significant market risk from the derivative arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. For the year ended June 30, 2018, the change in fair value of the foreign exchange contracts resulted in $600,000 of investment loss. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. MOSERS also invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk. At June 30, 2018, MOSERS Foreign Currency Forward Contracts had a pending receivable of $19,335,000 and a pending payable of $20,061,000 resulting in a final liability of $726,000.

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2018. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Futures Contracts:

Notional Amount	Exposure
$680,052	$20,087

Swap Contracts:

Notional Amount	Counterparty Exposure
$2,530,067	$(76)

Foreign Currency Forward Contracts:

Notional Amount	Exposure
$(726)	$(726)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

MPERS has an investment policy which holds investments in future contracts, swap contracts, options contracts, and forward foreign currency exchange contracts. Derivative financial instruments involve credit risk and market risk. The notional value related to these derivative instruments are generally not recorded on the financial statements; however, the change in market value of these instruments is incorporated in performance.

The following table (in thousands of dollars) summarizes the various contracts in MPERS portfolio as of June 30, 2018. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Type	Notional/Fair Value	Unrealized Gain (Loss)
Futures Contracts	$ 193,829	$ (415)
Swap Contracts	89,654	(143)
Foreign Currency Forward Contracts	(19,713)	(415)
Total	$ 263,770	$ (973)

Note 3 - Deposits and Investments (cont.)

Through the use of derivatives, MPERS is exposed to risk if the counterparties involved in the contracts are unable to meet the term of their obligation. MPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. MPERS anticipates the counterparties will be able to satisfy their obligations under the contracts. The associated counterparty's credit rating is an A-.

Component Units:

Information on the component units derivatives is available within their individual financial statements.

E. Assets Held in Escheat

The Unclaimed Property Division of the Missouri State Treasurer's Office holds unclaimed stocks, bonds, mutual fund positions, and other securities that have been turned over by their holders on behalf of the securities' owners. The State takes custody of these securities until the owner claims them or if unclaimed, liquidates them after 18 to 24 months. The State holds the securities in order to return them to their owners. The State does not report these securities as investments because they do not meet the Governmental Accounting Standards Board's definition of "investments". This is because the State does not hold the securities for income or profit, nor do the securities have a present service capacity for the State. A total of $12,653,000 of these unclaimed securities is shown as "Assets Held in Escheat" on the private-purpose trust funds combining statement of fiduciary net position in Unclaimed Property.

Note 4 - Governmental Fund Balance

Fund Balance Classifications by Purpose – In the basic financial statements, the fund balance classifications are presented in the aggregate. The following displays the fund balances by major purpose (in thousands of dollars):

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Inventories	$ 22,990	$ —	$ —	$ —
Loans Receivable	25,954	—	—	—
Consumer Protection	—	—	—	17,586
Budget Reserve	—	—	614,386	—
Education	—	3,632	2,988	19,929
Medical and Other Assistance	—	—	3	—
Energy Programs	—	—	—	30,216
Forfeited Financial Instruments	—	—	—	1,492
Federal Government	—	303,480	—	—
Taxes	—	—	—	6,641
Other	—	801	284	10,841
Total	$ 48,944	$ 307,913	$ 617,661	$ 86,705
Public Education				
Inventories	$ 123	$ —	$ —	$ —
Loans Receivable	—	—	—	855
Education	—	233,381	2,184	45,544
Total	$ 123	$ 233,381	$ 2,184	$ 46,399
Conservation and Environmental Protection				
Inventories	$ 380	$ —	$ —	$ —
Loans Receivable	—	1,866	1,304,555	9,528
Conservation Commission	—	86,644	—	—
Environmental Conservation	—	33,831	317,238	97,874
State Parks	—	17,669	—	—
Forfeited Financial Instruments	—	—	—	1,009
Total	$ 380	$ 140,010	$ 1,621,793	$ 108,411

Note 4 - Governmental Fund Balance (cont.)

	Nonspendable	Restricted	Committed	Assigned
Missouri Road Fund				
Inventories	$ 33,738	$ —	$ —	$ —
Highways and Transportation	—	669,740	—	—
Total	$ 33,738	$ 669,740	$ —	$ —
Non-Major Special Revenue Funds				
Inventories	$ 3,674	$ —	$ —	$ —
Loans Receivable	—	—	—	3,498
Professional Boards and Licensure	—	—	16,554	35,487
Legal Assistance	—	23,430	7,591	7,110
Agriculture	—	3,829	549	6,944
Medical and Other Assistance	—	5,934	7,417	5,210
Transportation	—	32,233	—	166,922
Highway Patrol and Water Patrol	—	5,353	835	11,968
Workers' Compensation and Unemployment Compensation	—	49,589	—	—
Veterans' Homes	—	52,348	—	—
Other	—	9,182	6,174	18,125
Total	$ 3,674	$ 181,898	$ 39,120	$ 255,264
Non-Major Debt Service Funds				
General Obligation Bonds	$ —	$ 42,619	$ —	$ —
Fulton State Hospital	—	12,423	—	—
Missouri Road Bond	—	64,707	—	—
Total	$ —	$ 119,749	$ —	$ —
Non-Major Capital Projects Funds				
Board of Public Buildings-Education	$ —	$ 11,662	$ —	$ —
Board of Public Buildings-State Capitol	—	52,917	—	—
Board of Public Buildings-State Facility	—	13,586	—	—
Fulton State Hospital	—	43,075	—	—
State Historical Society	—	24,404	—	—
Total	$ —	$ 145,644	$ —	$ —
Non-Major Permanent Funds				
Arrow Rock State Historic Site Endowment	$ 29	$ —	$ —	$ —
Confederate Memorial Park	75	—	—	106
State Public School	57,055	—	—	—
Smith Memorial Endowment Trust	365	—	—	6
Total	$ 57,524	$ —	$ —	$ 112

A. Budget Reserve Fund

The Budget Reserve Fund is established in Article IV, Section 27(a) of the Missouri Constitution. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any other fund when necessary to meet the cash requirements of the State. However, the Budget Reserve Fund must be paid back with interest prior to May 16th of the fiscal year in which the transfer was made.

Budget stabilization expenditures may occur in a fiscal year in which the Governor reduces the expenditures of the State or any of its agencies below their appropriation or in which there is a budget need due to a natural disaster as proclaimed by the Governor to be an emergency. An appropriation from the Budget Reserve Fund may be granted by a two-thirds vote of the members elected to each house. The maximum amount which may be appropriated at any one time for budget stabilization purposes is one-half the sum of the balance of the Budget Reserve Fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund. One-third of the amount expended or transferred from the Budget Reserve Fund for budget stabilization purposes plus interest shall stand appropriated to the Budget Reserve Fund during each of the next three fiscal years from the fund which received the budget stabilization appropriation. The balance of the Budget Reserve Fund at June 30, 2018, was $614,386,000.

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows (in thousands of dollars):

	*Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	$ 308,270	$ 164,560	$ (59,287)	$ 413,543
Software in Progress	88,312	26,306	(15,499)	99,119
Infrastructure in Progress	1,478,649	800,004	(728,189)	1,550,464
Land	3,095,379	3,718	(5,358)	3,093,739
Permanent Easements	3,910	181	—	4,091
Total Capital Assets not being Depreciated/ Amortized	4,974,520	994,769	(808,333)	5,160,956
Capital Assets being Depreciated/Amortized:				
Land Improvements	208,276	13,103	(51)	221,328
Temporary Easements	1,513	286	(303)	1,496
Buildings and Improvements	3,387,901	40,687	(13,738)	3,414,850
Equipment	1,328,800	93,327	(69,644)	1,352,483
Software	229,386	25,111	(2,532)	251,965
Trademarks	17	—	—	17
Infrastructure	50,174,198	728,189	(73,545)	50,828,842
Total Capital Assets being Depreciated/Amortized	55,330,091	900,703	(159,813)	56,070,981
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(118,693)	(4,871)	37	(123,527)
Temporary Easements	(526)	(503)	303	(726)
Buildings and Improvements	(1,823,039)	(105,250)	12,911	(1,915,378)
Equipment	(961,307)	(86,758)	63,988	(984,077)
Software	(154,635)	(25,351)	1,893	(178,093)
Trademarks	(12)	(2)	—	(14)
Infrastructure	(24,587,570)	(488,456)	60,238	(25,015,788)
Total Accumulated Depreciation/Amortization	(27,645,782)	(711,191)	139,370	(28,217,603)
Total Capital Assets being Depreciated/Amortized, Net	27,684,309	189,512	(20,443)	27,853,378
Governmental Activities Capital Assets, Net	$ 32,658,829	$ 1,184,281	$ (828,776)	$ 33,014,334
Business-Type Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	$ 45,452	$ 1,025	$ (31,630)	$ 14,847
Software in Progress	—	189	—	189
Land	32,602	—	—	32,602
Total Capital Assets not being Depreciated/ Amortized	78,054	1,214	(31,630)	47,638
Capital Assets being Depreciated/Amortized:				
Land Improvements	18,971	19,570	—	38,541
Temporary Easements	50	—	—	50
Buildings and Improvements	33,025	23,754	—	56,779
Equipment	50,673	4,882	(2,774)	52,781
Software	735	—	(104)	631
Total Capital Assets being Depreciated/Amortized	103,454	48,206	(2,878)	148,782
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(7,845)	(548)	—	(8,393)
Temporary Easements	(23)	(2)	—	(25)
Buildings and Improvements	(23,020)	(1,410)	1	(24,429)
Equipment	(34,631)	(3,884)	2,675	(35,840)
Software	(533)	(94)	103	(524)
Total Accumulated Depreciation/Amortization	(66,052)	(5,938)	2,779	(69,211)
Total Capital Assets being Depreciated/Amortized, Net	37,402	42,268	(99)	79,571
Business-Type Activities Capital Assets, Net	$ 115,456	$ 43,482	$ (31,729)	$ 127,209

*Beginning balances as of July 1, 2017 have been restated (see *Note 18)*.

Note 5 - Capital Assets (cont.)

Depreciation/amortization expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government	$ 49,203
Education	3,169
Natural and Economic Resources	25,459
Transportation and Law Enforcement	572,020
Human Services	61,340
Total	$ 711,191

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated/Amortized:			
Construction in Progress	$ 169,900	$ 857	$ 170,757
Land	181,731	7,220	188,951
Other Non-Depreciable/Amortizable Assets	23,866	—	23,866
Total Capital Assets not being Depreciated/Amortized	375,497	8,077	383,574
Capital Assets being Depreciated/Amortized:			
Land Improvements	36,171	—	36,171
Buildings and Improvements	7,102,647	78,710	7,181,357
Equipment, Fixtures, and Books	1,586,362	479	1,586,841
Software	67,957	26	67,983
Infrastructure	808,653	—	808,653
Total Capital Assets being Depreciated/Amortized	9,601,790	79,215	9,681,005
Less Total Accumulated Depreciation/Amortization	(4,586,131)	(21,314)	(4,607,445)
Total Capital Assets being Depreciated/Amortized, Net	5,015,659	57,901	5,073,560
Discretely Presented Component Units – Capital Assets, Net	$ 5,391,156	$ 65,978	$ 5,457,134

Capital Asset Impairment

Two application development projects were canceled during the fiscal year. The first project was stopped due to changing application requirements, which resulted in an impairment of $10,000. The second project was stopped when contracting out the application support with a current service provider became a better option, which resulted in an impairment of $48,000. These would be reported as a program expense in the government-wide financial statements.

Due to significant damage to the Oak Place Apartment buildings, owned by the University of Missouri, an impairment amount of $17,908,000 is reported as an extraordinary item in the Component Units Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Note 6 - Leases

Capital

The State has entered into various agreements to lease land, buildings, equipment and software. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease liability).

Capital leases for the internal service funds, enterprise funds, and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Internal Service Funds	College and Universities
2019	$ 7,722	$ 3,171	$ 7,341
2020	7,047	2,162	6,111
2021	6,667	1,428	5,708
2022	4,952	319	5,466
2023	2,801	319	5,444
2024-2028	4,550	802	14,296
2029-2030	1,498	241	913
Total Minimum Lease Payments	35,237	8,442	45,279
Less Amount Representing Interest	(2,587)	(432)	(5,228)
Present Value of Net Minimum Lease Payments	$ 32,650	$ 8,010	$ 40,051

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under this lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued $28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing buildings in Florissant, St. Louis, and Jennings. In May 2006, the Board issued $9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. In June 2013, the Board issued $21,820,000 of Leasehold Revenue Refunding Bonds Series A 2013 and $7,450,000 of Leasehold Revenue Refunding Bonds Series B 2013 for the purpose of refunding $20,805,000 of Leasehold Revenue Bonds Series 2005 and $7,100,000 of Leasehold Revenue Bonds Series 2006, respectively. The payments on these leases are subject to annual appropriation by the State legislature.

Note 6 - Leases (cont.)

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

Fiscal Year Ending June 30	Internal Service Funds
2019	$ 2,416
2020	2,412
2021	2,414
2022	2,413
2023	2,409
2024-2028	12,038
2029-2031	7,217
Total Minimum Lease Payments	31,319
Less Amount Representing Interest	(5,544)
Present Value of Net Minimum Lease Payments	$ 25,775

Series A 2005 Refunding Certificates of Participation dated March 1, 2005, in the amount of $120,490,000 refunded $13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, $13,400,000 of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, $9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995, and $83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The State issued Refunding Certificates of Participation Series A 2011 dated June 7, 2011, in the amount of $76,910,000. The Refunding Certificates of Participation refunded $76,065,000 of Series A 2005 Refunding Certificates of Participation.

The State's obligation under these leases does not constitute a general obligation or other indebtedness of the State. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificate and are subject to annual appropriation by the State legislature.

Following is a summary of the future minimum lease payments for the Certificates of Participation (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds
2019	$ 13,669
Total Minimum Lease Payments	13,669
Less Amount Representing Interest	(144)
Present Value of Net Minimum Lease Payments	$ 13,525

Note 6 - Leases (cont.)

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2018 (in thousands of dollars):

	Governmental Funds	Internal Service Funds	College and Universities
Land	$ —	$ —	$ 518
Buildings	196,481	40,508	64,407
Equipment	3,392	7,979	16,622
Software	3,971	4,633	—
	$ 203,844	$ 53,120	$ 81,547

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating, because the lease period is one year with multiple renewal options. Future minimum commitments due under operating leases as of June 30, 2018, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Enterprise Funds	Component Units
2019	$ 20,665	$ 350	$ 14,175
2020	961	172	10,610
2021	916	62	8,858
2022	892	59	7,398
2023	501	57	6,516
2024-2028	1,607	5	13,879
2029-2033	52	—	8,183
2034-2038	50	—	4,828
2039-2043	50	—	—
2044-2048	50	—	—
2049-2053	50	—	—
2054-2058	50	—	—
2059-2063	50	—	—
Total Minimum Commitments	$ 25,894	$ 705	$ 74,447

Expenditures for rent under operating leases for the years ended June 30, 2018 and June 30, 2017 were $23,048,000 and $22,740,000, respectively.

Note 6 - Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities and land is $91.7 million less accumulated depreciation of $24.5 million for component units. The Department of Natural Resources (DNR) has $72,000 in income from easements on DNR property. This income will be received in perpetuity. The contract conditions and amount for each individual easement can change with the sale of the property requiring the easement. New contracts will be negotiated with new property owners. Future minimum receivables, payable from lessor arrangements as of June 30, 2018, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Component Units
2019	$ 4,174
2020	3,816
2021	3,745
2022	3,676
2023	3,679
2024-2028	17,769
2029-2033	17,551
2034-2038	17,478
2039-2043	14,226
2044-2048	7,217
2049-2053	2,132
2054-2058	2,132
2059-2063	1,729
2064-2068	500
2069-2073	500
2074-2078	500
2079-2083	500
2084-2088	500
2089-2093	450
Total Minimum Receivables	$ 102,274

Note 7 - Retirement Systems

The State has two major retirement systems which cover substantially all State employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). MOSERS is comprised of the Missouri State Employees' Plan (MSEP), a cost-sharing multiple-employer, defined benefit public employee retirement plan and the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employees' retirement plan.

Plan Descriptions

The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple-employer, defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 104.010 and 104.312-104.1215, RSMo.

The MSEP has three benefit structures known as MSEP (closed plan), MSEP 2000, and MSEP 2011. The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000 and before January 1, 2011. MSEP 2011 covers all full-time employees first hired on or after January 1, 2011. Members of the closed plan have the option at retirement to choose between the benefit structure of the MSEP or MSEP 2000.

Note 7 - Retirement Systems (cont.)

The Judicial Plan is a single-employer, defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 476.445 to 476.690, RSMo. The Judicial Plan covers eligible members appointed/elected before January 1, 2011. The Judicial Plan 2011 covers eligible members appointed/elected for the first time on or after January 1, 2011.

MOSERS provides retirement, survivor, and disability benefits to its members. General employees are fully vested after 5 years of creditable service if covered by the MSEP and MSEP 2000 plans and after 10 years (5 years effective January 1, 2018) of creditable service for active members if covered by the MSEP 2011 plans. Elected officials are fully vested after 4 years of creditable service and Members of the General Assembly are fully vested after 6 years of creditable service. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The retirement eligibility requirements are as follows for general employees:

MSEP

Age 65 and active with 4 years of service
Age 65 with 5 years of service
Age 60 with 15 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 55 with at least 10 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.6% multiplied by the final average pay multiplied by years of credited service.

MSEP 2000

Age 62 with 5 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 57 with at least 5 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

MSEP 2011

Age 67 with 10 years of service (5 years effective January 1, 2018)
Age 55 with age and service equaling 90 or more (Rule of 90)
Employees may retire early at age 62 with at least 10 years of service with reduced benefits (5 years effective January 1, 2018).
The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

Judicial Plan

Age 62 with 12 years of service
Age 60 with 15 years of service
Age 55 with 20 years of service
Employees may retire early at age 62 with less than 12 years of service or age 60 with less than 15 years of service with a reduced benefit that is based upon years of service relative to 12 or 15 years.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

Judicial Plan 2011

Age 67 with 12 years of service
Age 62 with 20 years of service
Employees may retire early at age 67 with less than 12 years of service with reduced benefits or age 62 with less than 20 years of service with a reduced benefit based on years of service.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next, with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the percentage increase in the average CPI from one year to the next, up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their benefit in a lump sum payment. To qualify, a member must have left state employment on or after October 1, 1984 and prior to September 1, 2002, have less than 10 years of service, not be within 5 years of retirement eligibility, meet age requirements, and have a benefit present value of less than $10,000.

Note 7 - Retirement Systems (cont.)

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer, defined benefit public employee retirement plan administered in accordance with Sections 104.010-104.1093, RSMo.

MPERS is considered a single-employer plan because its membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. The MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan, and the Year 2000 Plan-2011 Tier. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000 and before January 1, 2011. The Year 2000 Plan-2011 Tier covers employees hired on or after January 1, 2011. Employees covered by the Closed Plan and the Year 2000 Plan are fully vested after 5 years of creditable service. Employees covered by the 2011 Tier are fully vested after 10 years (5 years effective January 1, 2018) of creditable service for active members.

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:	**Uniformed patrol members:**
Age 65 and active with 4 or more years of service	Age 55 and active with 4 or more years of service
Age 65 with 5 or more years of service	Age 55 with 5 or more years of service
Age 60 with 15 or more years of service	Age 48 with sum of age and service equaling 80 or more (Rule of 80)
Age 48 with sum of age and service equaling 80 or more (Rule of 80)	Mandatory retirement at age 60

All non-uniformed members may retire early with reduced benefits at age 55 with at least 10 years of service.

The base benefit in the Closed Plan is equal to 1.6% multiplied by the final average pay multiplied by years of creditable service. For members of the uniformed patrol, the base benefit is calculated by applying the same formula, then multiplying the product by 1.33%.

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the increase in the Consumer Price Index for all urban consumers for the United States (CPI-U) with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit. Thereafter, the 4% minimum rate is eliminated and the annual COLA rate will be equal to 80% of the increase in the CPI-U (annual maximum of 5%). For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI-U, up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:	**Uniformed patrol members:**
Age 62 with 5 or more years of service	Age 48 with sum of age and service equaling 80 or more (Rule of 80)
Age 48 with sum of age and service equaling 80 or more (Rule of 80)	Mandatory retirement at age 60 with 5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service.

Note 7 - Retirement Systems (cont.)

The base benefit in the Year 2000 Plan is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 80, and uniform patrol members retiring at the mandatory retirement age (currently 60), receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80% of the change in the CPI-U, up to a maximum rate of 5%.

Year 2000 Plan-2011 Tier

MoDOT and non-uniformed patrol members:	**Uniformed patrol members:**
Age 67 with 10 or more years of service (5 years effective January 1, 2018)	Age 55 and active with 10 or more years of service (5 years effective January 1, 2018)
Age 55 and active with sum of age and service equaling 90 or more (Rule of 90)	Mandatory retirement at age 60 with no minimum service amount, active only.

Active MoDOT and non-uniformed patrol members may retire early with reduced benefits at age 62 with at least 10 years of service. Terminated and vested uniformed patrol members may retire at age 67 with 10 or more years of service. COLAs are provided annually based on 80% of the change in the CPI-U, up to a maximum rate of 5%.

The base benefit in the 2011 Tier is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 90, and uniform patrol members retiring at the mandatory retirement age (currently 60) or at age 55 with 10 years (5 years effective January 1, 2018) of creditable service, receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service.

Single-Employer Plans:

Employees Covered by Benefit Terms – Single-Employers Only

As of June 30, 2017 valuation, membership consisted of the following:

	Judicial Plan	MPERS
Retirees, beneficiaries, and the disabled currently receiving benefits	559	8,831
Terminated employees entitled to, but not yet receiving benefits	26	2,324
Active		
Vested	410	5,261
Nonvested	—	2,195
Total Membership	995	18,611

Contributions

Per Chapter 104.436, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.00% of their annual pay. The State's required contribution rate for the MSEP and the Judicial Plan for the year ended June 30, 2017, were 16.97% and 58.45% of annual payroll, respectively. The contribution rates as a percentage of covered payroll for the MSEP and the Judicial Plan for the year ended June 30, 2017, were 16.97% and 58.50%, respectively. Contributions to the pension plan from the MSEP Plan and the Judicial Plan were $274,510,000 and $34,247,000 respectively, for the year ended June 30, 2017.

Note 7 - Retirement Systems (cont.)

Per Chapter 104.070, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MPERS Board of Trustees. Beginning January 1, 2011, employee contributions of 4.00% of gross pay are required for those covered by the Year 2000 Plan-2011 Tier. Employer contributions are determined through annual actuarial valuations. Administrative expenses are financed through contributions from participating employers and investment earnings. The state's required contribution rate, as adopted by the MPERS Board of Trustees, for the year ended June 30, 2017, was to be at least 58.00%. The contribution rate as a percentage of covered payroll for the MPERS plan year ended June 30, 2017, was 58.00%. Contributions to the pension plan from the MPERS plan were $206,563,000.

For the portion of the MSEP Plan relating to the State's component units, the required contribution rate for the year ended June 30, 2017, was 16.97%. The contribution rates as a percentage of covered payroll for the year ended June 30, 2017, range from 16.93% to 16.97%. Contributions to the pension plan were $58,246,000 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Cost-Sharing Multiple Employer Plan:

At June 30, 2018, a liability was reported for the State's proportionate share of the net pension liability for the MSEP and the MSEP-CU plans based on an actuarial valuation as of June 30, 2017. The State's proportionate share of the net pension liability was based on the State's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for plan year ended June 30, 2017.

The State reported the following proportionate share of the net pension liability and the pension expense for the fiscal year ended June 30, 2018 (in thousands of dollars):

	MSEP	MSEP-CU
Pension Expense	$ 724,501	$ 156,206
Proportionate share: 2018	82.19%	17.44%
Net Pension Liability	$ 4,279,391	$ 908,000

Note 7 - Retirement Systems (cont.)

Single-Employer Plans:

The State's net pension liability and related information for the Judicial and MPERS plans for the fiscal year ended June 30, 2018 (in thousands of dollars):

	Judicial Plan Increase (Decrease)			MPERS Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2017	$ 547,621	$ 132,056	$ 415,565	$3,761,733	$ 1,992,074	$ 1,769,659
Changes for the year:						
Service Cost	12,946	—	12,946	45,713	—	45,713
Interest	40,617	—	40,617	283,569	—	283,569
Differences between expected and actual experience	(10,687)	—	(10,687)	(37,287)	—	(37,287)
Changes of Assumptions	7,906	—	7,906	—	—	—
Contributions – Employer	—	34,247	(34,247)	—	206,563	(206,563)
Contributions – Employee	—	787	(787)	—	4,892	(4,892)
Net Income Investment	—	4,680	(4,680)	—	220,302	(220,302)
Benefit payments, including refunds of employee contributions	(33,985)	(33,985)	—	(246,939)	(246,939)	—
Disability Premiums	—	—	—	(1,620)	(1,620)	—
Administrative Expense	—	(150)	150	—	(4,516)	4,516
Net Transfers to Other Retirement Systems	—	—	—	(2,725)	(981)	(1,744)
Net Changes	16,797	5,579	11,218	40,711	177,701	(136,990)
Balances at June 30, 2018	$ 564,418	$ 137,635	$ 426,783	$3,802,444	$ 2,169,775	$ 1,632,669

For the year ended June 30, 2018, the Judicial Plan and MPERS recognized pension expense of $62,414,000 and $136,009,000, respectively.

At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU	MSEP	Judicial	MPERS	MSEP-CU
Difference between expected and actual experience	$ 23,708	$ 930	$ —	$ 5,030	$ 67,399	$ 10,289	$ 55,761	$ 14,301
Changes of assumptions	375,511	31,553	—	79,676	10,740	—	—	2,279
Net difference between projected and actual earnings on pension plan investments	716,864	13,716	102,667	152,104	—	—	92,183	—
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	15	—	—	6,630	2,674	—	—	4,136
Contributions subsequent to the measurement date	313,167	36,895	204,955	63,393	—	—	—	—
Total	$ 1,429,265	$ 83,094	$ 307,622	$ 306,833	$ 80,813	$ 10,289	$147,944	$ 20,716

Note 7 - Retirement Systems (cont.)

Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period of the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU
2019	$ 338,909	$ 16,529	$ (35,864)	$ 74,175
2020	464,187	15,778	5,941	99,079
2021	177,720	2,551	1,234	37,913
2022	54,469	1,052	(16,588)	11,557
Totals	$ 1,035,285	$ 35,910	$ (45,277)	$ 222,724

Actuarial Assumptions

The total pension liability at June 30, 2018, is based upon the June 30, 2017, actuarial valuation for MOSERS and MPERS using the entry age normal actuarial cost method. Significant actuarial assumptions used in the June 30, 2017, actuarial valuations are the following:

	MSEP and MSEP-CU	Judicial	MPERS
Price Inflation	2.5%	2.5%	3.0%
Salary Increases	3.25-8.75%	3.0-5.2%	3.5-11.0%
Investment Rate of Return	7.50%	7.50%	7.75%

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015, for MOSERS. In addition, the Board reaffirmed its previous decision to reduce the investment return assumption from 7.65% to 7.50% for the June 30, 2017 valuation. There were no other changes in assumptions. MOSERS mortality rates were based on the RP-2014 Healthy Annuitant Mortality table, projected to 2026 with scale MP-2015 and scaled by 120%. The pre-retirement mortality table was the RP-2014 Employee Mortality table, projected to 2026 with scale MP-2015 and scaled by 95% for males and 90% for females.

Amounts reported in the June 30, 2017, actuarial report are assumptions reflecting adjustments to expected rates of withdrawal, disability, normal and early retirement, mortality, and merit and seniority pay for MPERS. The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2007, through June 30, 2012. Mortality rates, for post-retirement mortality, used in evaluating allowances to be paid to non-disabled pensioners were the RP-2000 Combined Healthy Mortality Tables projected 16 years and set back one year for males and females. Pre-retirement mortality rates used was 70% for males and 50% for females of the post-retirement tables set back 1 year for males and set back 1 year for females. Disabled pension mortality was based on PBGC Disabled Mortality tables. The healthy mortality tables include a margin for mortality improvement. The margin is in the 16-year projection. The disabled mortality tables do not include a margin for mortality improvement.

Note 7 - Retirement Systems (cont.)

The long-term (30 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for the MSEP and Judicial Plan and arithmetic real rates of return for MPERS for each major asset class included in the target allocation are summarized in the table below:

	MSEP and MSEP-CU		Judicial		MPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.0%	5.5%	38.0%	5.5%	30.0%	4.80%
Private Equity					15.0%	6.50%
Fixed Income					20.0%	0.50%
Real Assets					7.5%	4.75%
Real Estate					10.0%	2.75%
Hedge Funds					10.0%	2.75%
Opportunistic Debt					7.5%	4.50%
Nominal Bonds	44.0%	1.0%	44.0%	1.0%		
Commodities	20.0%	4.5%	20.0%	4.5%		
Inflation-linked Bonds	39.0%	0.8%	39.0%	0.8%		
Alternative Beta	31.0%	4.5%	31.0%	4.5%		
	172.0%		172.0%		100.0%	

Discount Rate

A single discount rate based on the expected rate of return on pension investments of 7.50%, 7.50%, and 7.75% was used to measure the total pension liability for MSEP, Judicial Plan, and MPERS, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate for MPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined for MOSERS. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 7 - Retirement Systems (cont.)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.50%	7.50%	8.50%
MSEP Net Pension Liability	$5,509,815	$4,279,391	$3,244,456
	6.50%	7.50%	8.50%
Judicial Plan Net Pension Liability	$484,553	$426,783	$377,354
	6.75%	7.75%	8.75%
MPERS Net Pension Liability	$2,075,475	$1,632,669	$1,262,286
	6.50%	7.50%	8.50%
MSEP-CU Net Pension Liability	$1,169,071	$908,000	$688,408

Payables to the Pension Plan

As of June 30, 2018, the State had payables of $14,959,000 to MOSERS for the outstanding amount of contributions to the pension plan, relating to a two week lag in payroll.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separate financial reports issued by MOSERS and MPERS:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209
www.mosers.org

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930
www.mpers.org

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees. As authorized by Section 172.300, RSMo, the University's Board of Curators administers the Retirement Plan and establishes its terms.

Note 7 - Retirement Systems (cont.)

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at a certain rate times the credited service years times the compensation base (average consumption for the five highest consecutive salary years). The rate is 2.2% if the employee was hired before October 1, 2012, or 1.0% if the employee was hired after September 30, 2012. Academic members who provide summer teaching and research service receive additional summer service credit. The Board of Curators may periodically approve increases to the benefits paid to existing pensioners. However, vested members who leave the University prior to eligibility for retirement are not eligible for these pension increases. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. Up to 30% of the retirement annuity can be taken in a lump sum payment. In addition the standard annuity can be exchanged for an actuarially-equivalent annuity selected from an array of options with joint and survivor, period certain, and guaranteed annual increase features.

As of June 30, 2018, membership consisted of the following:

Vested members	18,135
Inactive vested members	4,659
Pensioners and beneficiaries	9,763
Total Membership	32,557

Contributions

The University's contributions to the Retirement Plan are equal to the actuarially determined contribution rate (ADC). The ADC for those employees hired before October 1, 2012 averaged 9.4% of covered payroll for the year ending June 30, 2018. The ADC for those employees hired after September 30, 2012, averaged 5.5% of covered payroll for the year ended June 30, 2018. Employees are required to contribute 1% of their salary up to $50,000 in a calendar year and 2% of their salary in excess of $50,000. An actuarial valuation of the Plan is performed annually and the University's contribution rate is updated on July 1 at the beginning of the University's fiscal year, to reflect the actuarially determined funding requirement from the most recent valuation, as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year. The University contributed $92,200,000 during the fiscal year ended June 30, 2018.

Employees hired after September 30, 2012, participate in a single employer, defined contribution plan. Each year the University contributes 2% of each employee's eligible salary to a 401(a) plan. The University will match up to 3% of the employee contribution to the 457(b) plan with those going into the 401(a) plan. Employees are immediately 100% vested in their contributions. The University's base contributions and matching contributions vest following three years of consecutive or nonconsecutive service. The defined contribution plan recognized $17,579,000 of pension expense net of $3,211,000 of forfeitures for the year ended June 30, 2018.

Net Pension Liability

The Retirement Plan's net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. Roll-forward procedures were used to measure the Retirement Plan's net pension liability as of June 30, 2018. For the year ended June 30, 2018, fiduciary net position as a percentage of the total pension liability amounted to 83.43%.

Note 7 - Retirement Systems (cont.)

Changes in net pension liability (in thousands of dollars):

	Total Pension Liability (TPL)	Fiduciary Net Pension (FNP)	Net Pension Liability (NPL)
Balances at June 30, 2017	$ 4,008,189	$ 3,485,925	$ 522,264
Changes for the year:			
Service Cost	63,624	—	63,624
Interest	305,781	—	305,781
Differences between expected and actual experience	11,704	—	11,704
Changes in assumptions	257,616	—	257,616
Contributions – Employer	—	92,200	(92,200)
Contributions – Employee	—	15,299	(15,299)
Net Income Investment	—	322,297	(322,297)
Benefit payments, including refunds of employee contributions	(233,083)	(233,083)	—
Net Changes	405,642	196,713	208,929
Balances at June 30, 2018	$ 4,413,831	$ 3,682,638	$ 731,193

Pension Expense

Annual pension expense consists of service cost and interest on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources and recognized in pension expense over a five year period.

For the year ended June 30, 2018, the Retirement Plan recognized pension expense of $142,185,000. At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 14,290	$ 34,921
Changes in assumptions	210,657	—
Net difference between projected and actual earnings on pension plan investments	24,426	—
Total	$ 249,373	$ 34,921

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of these items:

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources Recognition
2019	$ 99,084
2020	54,894
2021	4,188
2022	32,600
2023	23,686
Totals	$ 214,452

Note 7 - Retirement Systems (cont.)

Actuarial Assumptions

The October 1, 2017, actuarial valuation utilized the entry age actuarial cost method. During fiscal year 2018, the Board of Curators approved a change in the discount rate from 7.75% to 7.20%. The change resulted in an increase in the Net Pension Liability of $257,616,000 and will be recognized in pension expense over the average expected remaining service lives of employees. Actuarial assumptions included:

Inflation	2.20%
Salary Increases	3.6% - 4.5%
Investment Rate of Return	7.20%

For purposes of determining actuarially required contributions, the actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a five-year period. The underfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over 26 years from the October 1, 2017, valuation date. Mortality rates were based on the RP-2014 Combined Health Mortality Table projected using Scale MP-2017 and RP-2000 Combined Health Mortality Table projected to 2023 using Scale BB for the October 1, 2017 valuation date.

The actuarial assumptions used in the October 1, 2017, valuation were based on the results the most recent quinquennial study of the University's own experience covering 2018 to 2012.

The annual money-weighted rate of return is calculated as the internal rate of return on pension investments, net of pension plan investment expense. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan investments for the years ended June 30, 2018, was 10.2%. The following table provides long-term expected rates of real return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic large cap equity	14.5%	4.7%
International developed equity	14.5%	9.7%
Emerging markets equity	3.0%	8.6%
Private equity	10.0%	7.8%
Sovereign bonds	15.0%	3.1%
Domestic inflation linked bonds	10.0%	2.9%
Global inflation linked bonds	7.0%	2.6%
Private debt	3.0%	6.5%
Risk balanced	10.0%	9.7%
Commodities	5.0%	4.3%
Core private real estate	1.6%	4.6%
Value add private real estate	4.8%	6.6%
Opportunistic private real estate	1.6%	8.6%
	100.0%	

Note 7 - Retirement Systems (cont.)

Discount Rate

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. For the October 1, 2017, actuarial valuation, 7.20% was used as the net long-term expected rate of return.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.20%	7.20%	8.20%
MU Net Pension Liability	$1,287,184	$731,193	$262,755

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2018 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211
www.umsystem.edu

Note 8 - Other Postemployment Benefits

In addition to the retirement benefits described in Note 7, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the Missouri Department of Transportation and Highway Patrol Employees' Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). MCHCP is a cost-sharing multiple-employer, defined benefit other postemployment benefits plan, MOSERS is an insured, defined benefit insurance plan, and MHPML and CEIP are single-employer defined benefit public employees' other postemployment benefits plans.

Note 8 - Other Postemployment Benefits (cont.)

Plan Descriptions

Missouri Consolidated Health Care Plan (MCHCP) operates a cost-sharing multiple-employer, defined benefit Other Postemployment Benefits Plan (OPEB), the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement, if eligible to receive a monthly retirement benefit from either Missouri Employees' Retirement System (MOSERS) or another retirement system whose members grandfathered for coverage under the MCHCP by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under 103.003 through 103.178, RSMo. MCHCP provides medical, dental, and vision benefits, and the Strive Employee Life & Family program for the exclusive benefit of current and future retired employees of the state and their dependents who meet eligibility requirements, except those retired members covered by other OPEB plans of the state. Covered categories include active employees, participants and spouses in payment status, participants with a deferred benefit, and disabled participants.

The Missouri Department of Transportation and Highway Patrol Employees' Medical and Life Insurance Plan (MHPML) is a single-employer, defined benefit OPEB plan administered in accordance with Section 104.270, RSMo. MHPML is not a separate legal entity and is self insured. The plan does not maintain assets in a trust and pays expenses on a pay-as-you-go basis. The plan assets are neither legally protected from creditors nor are they dedicated to providing OPEB benefits. The State has no legal obligation to pay the benefits. MHPML provides healthcare insurance benefits to employees who retired from the Department who participated in the Medical and Life Insurance Plan when they were an active employee and had a minimum of five years creditable service. Coverage categories include retirees, certain disabled employees, spouses, certain dependents and survivors of deceased employees and retirees. At June 30, 2017, the number of participants covered by the plan included 6,211 retirees or beneficiaries currently receiving benefits, 90 retirees entitled to but not yet receiving benefits, and 7,558 active employees.

The Conservation Employees' Benefits Plan (CEIP) is a single-employer defined benefit OPEB plan administered by the Conservation Employees' Benefits Plan Board of Trustees in accordance with Article IV, Section 42 of the Missouri Constitution. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The benefit plan for the Department of Conservation is not irrevocable.

CEIP provides for continuation of medical insurance benefits for retirees and their dependents. Coverage categories include active employees, retirees and surviving spouses, and spouses of current retirees. At June 30, 2017, 1,301 active employees, 714 retirees and surviving spouses, and 404 spouses of current employees were participating in the plan.

Contributions

Contributions are established and may be amended by the MCHCP Board of Trustees with the authority granted under 103.003 through 103.178, RSMo. Contributions to MCHCP by the State are not legally or contractually required. For the fiscal year end June 30, 2017, employers contributed 4.26% for the period July 1, 2016 through December 31, 2016, and 4.02% for the period January 1, 2017, through June 30, 2017, of covered payroll. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Contributions to the OPEB plan for MCHCP and MCHCP-CU was $67,099,000 and $18,000, respectively for the year ended June 30, 2017.

The contribution requirements for MHPML are recommended by the Medical and Life Insurance Plan's Board of Trustees and are approved by the Missouri Highways and Transportation Commission. The Commission contributes a percentage of medical premiums for retirees. For those who retired prior to January 1, 2015, an amount ranging from 40.0% to 57.0% of the premium is contributed, dependent on the level of coverage. Medical premiums, for employees who retire on or after January 1, 2015, are based on total years of service, with the Commission contributing 2.0% per year of service, not to exceed 50.0% of the total premium, with the retiree responsible for the remaining balance of the premiums. Benefit projections for financial reporting purposes are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the historical pattern of cost sharing between employer and the plan members to that point. Contributions to the Plan for the year ended June 30, 2017 was $21,186,000.

Note 8 - Other Postemployment Benefits (cont.)

The contribution requirements for CEIP are established by a trust agreement between the Conservation Commission and the Conservation Employees' Benefits Plan Board of Trustees, which grants the authority to establish and amend benefit terms and financing requirements to the Board of Trustees. The Commission contribution toward retiree medical premium is based on tenure or years of service with the State. At the time of retirement, employees who have 25+ years of service receive a 35% contribution, 20-24 years of service receive a 30% contribution, 15-19 years of service receive a 25% contribution, vested status up to 14 years of service receive a 20% contribution, and employees who retired prior to January 1, 2013 continue to receive a 35% contribution towards their premium. Benefit projections for financial reporting purposes are based on an established policy of the retiree's paying the premium amount less any direct subsidy paid by the Commission based on years of service and date of retirement. Contributions to the Plan for the year ended June 30, 2017 was $3,006,000.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Cost-Sharing Multiple Employer Plan:

At June 30, 2018, a liability was reported for the State's proportionate share of the collective net OPEB liability for the MCHCP and the MCHCP-CU plans based on an actuarial valuation as of June 30, 2017. The State's proportionate share of the collective net OPEB liability was calculated by dividing the State's contribution to the SRWBT by the total contributions from all applicable employers during the measurement period. During the actuarial calculations associated with the employer schedule of allocations, it was determined that the census file for active participants was valued with 5 additional months of service and that additional service related for administrative law judges and retired legislators should be included. These net adjustments to the actuarial valuation resulted in a decrease in the beginning net OPEB liability of approximately $9 million dollars. Also, from the previous valuation, the discount rate changed from 5.70% to 5.71%.

The State reported the following proportionate share of the collective net OPEB liability and the OPEB expense for the fiscal year ended June 30, 2018 (in thousands of dollars):

	MCHCP	MCHCP-CU
OPEB Expense	$ 123,276	$ 32
Proportionate share: 2018	99.56%	0.03%
Net OPEB Liability	$ 1,756,787	$ 484

Single-Employer Plans:

The State's total OPEB liability and related information for the MHPML and CEIP plans for the fiscal year ended June 30, 2018 (in thousands of dollars):

	MHPML	CEIP
	Total OPEB Liability	Total OPEB Liability
Balances at June 30, 2017	$ 1,222,196	$ 137,344
Changes for the year:		
Service Cost	49,483	3,109
Interest	35,941	4,975
Changes of assumptions or other inputs	(165,036)	(7,665)
Benefit payments	(21,185)	(3,006)
Net Changes	(100,797)	(2,587)
Balances at June 30, 2018	$ 1,121,399	$ 134,757

Note 8 - Other Postemployment Benefits (cont.)

For the year ended June 30, 2018, the MHPML and CEIP recognized OPEB expense of $58,457,000 and $6,844,000, respectively.

At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to OPEBs were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MCHCP	MHPML	CEIP	MCHCP-CU	MCHCP	MHPML	CEIP	MCHCP-CU
Difference between expected and actual experience	$ —	$ —	$ —	$ —	$ (3,188)	$ —	$ —	$ (1)
Changes of assumptions	—	—	—	—	—	(138,069)	(6,425)	—
Net difference between projected and actual earnings on plan investments	—	—	—	—	(171)	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	59	—	—	—	(58)	—	—	(18)
Contributions subsequent to the measurement date	68,522	22,866	3,993	20	—	—	—	—
Total	$ 68,581	$ 22,866	$ 3,993	$ 20	$ (3,417)	$ (138,069)	$ (6,425)	$ (19)

Amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period of the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MCHCP	MHPML	CEIP	MCHCP-CU
2019	$ (431)	$ (26,967)	$ (1,241)	$ (2)
2020	(430)	(26,967)	(1,240)	(2)
2021	(431)	(26,967)	(1,240)	(2)
2022	(430)	(26,966)	(1,240)	(3)
2023	(388)	(26,966)	(1,241)	(2)
Thereafter	(1,248)	(3,236)	(223)	(8)
Totals	$ (3,358)	$ (138,069)	$ (6,425)	$ (19)

Note 8 - Other Postemployment Benefits (cont.)

Actuarial Assumptions

The total OPEB liability at June 30, 2018, is based upon the June 30, 2017, actuarial valuation date for MCHCP and CEIP, and July 1, 2017 for MHPML, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the actuarial valuations are the following:

	MCHCP and MCHCP-CU
Price Inflation	3.0%
Salary Increases	4.0%
Investment Rate of Return	5.71%
Healthcare Cost Trend Rate	Non-Medicare is 6.5% for fiscal year 2017; the rate decreases by 0.25% per year to an ultimate rate of 5.0% in fiscal year 2023 and later. Medicare is 7.5% for fiscal year 2017; the rate decreases by 0.25% per year to an ultimate of 5.0% in fiscal year 2027 and after.

	MHPML
Price Inflation	2.0%
Salary Increases	2.5%
Investment Rate of Return	3.58%
Healthcare Cost Trend Rate	8.4% for 2017, decreasing to 4.6% for 2018 and later years.

	CEIP
Price Inflation	2.3%
Salary Increases	4.0%
Investment Rate of Return	3.87%
Healthcare Cost Trend Rate	Pre-65 rate of 6.6% for 2017, gradually decreasing to an ultimate rate of 4.1% for 2084 and beyond. Post-65 trend rate of 6.8% for 2017, gradually decreasing to an ultimate rate of 4.3% for 2090 and beyond.

MCHCP's actuarial assumptions used in the June 30, 2017 valuation for SRWBT involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation to determine the SRWBT's total OPEB liability is required to be performed at least every two years. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The collective total OPEB liability for June 30, 2017 measurement date was determined by an actuarial valuation as of January 1, 2017, with updated procedures used to roll forward the total OPEB liability to June 30, 2017. The cost method utilized for the valuation year June 30, 2017, was the entry age normal, level percentage of payroll. Mortality rates were based on RP-2016 for Employees/Annuitants without collar adjustments using Scal MP-2016. The last experience study was conducted for the period July 1, 2008 through June 30, 2012. The last independent actuarial review of the reasonableness and accuracy of actuarial assumptions, actuarial cost methods, and valuations was conducted as of June 30, 2016.

MHPML's actuarial assumptions used in the June 30, 2017 valuation were determined using a measurement date of July 1, 2017 with a roll forward to June 30, 2018. The inflation rate was based on the actuary's long-term estimate of inflation as of July 1, 2016 and July 1, 2017. The salary increases were based on projected salaries, which include COLA's. The discount rate was based on Bond Buyer General Obligation 20-Bond Municipal Bond Index. Mortality rates were based on the RP 2014 Employees and Health Annuitants Mortality table, headcount weighted, fully generational projected by Scale MP-2016. The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2017. Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2017 to 3.58% in 2018.

Note 8 - Other Postemployment Benefits (cont.)

CEIP's actuarial assumptions used in the June 30, 2017 valuation were determined using a measurement date of June 30, 2018. The discount rate was based on the 20-year Bond General Obligation Index. Mortality rates were based on RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2017. The plan has not had a formal actuarial experience study performed.

For MCHCP, the long-term expected rate of return on OPEB plan investments was determined as a blend of the plan sponsor's best estimate on the expected return on plan assets and the 20-year high quality municipal bond rate as of the measurement date. The target asset allocation and best estimates of arithmetic real rate of returns for each major asset class are listed below.

	MCHCP and MCHCP-CU	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Stocks	20.0%	5.7%
Mid Cap Stocks	10.0%	6.0%
Small Cap Stocks	10.0%	6.0%
High-Yield Bonds	10.0%	2.6%
BarCap Aggregate Bonds	20.0%	1.0%
Long Government/Credit	25.0%	1.4%
Cash Equivalants	5.0%	0.3%
	100.0%	

Discount Rate

A single discount rate based on the expected rate of return on OPEB investments of 5.71%, 3.58%, and 3.87% was used to measure the total OPEB liability for MCHCP, MHPML, and CEIP, respectively. For MCHCP, the projection of cash flows used to determine the discount rate assumed that employee contributions at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. For years where the expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is utilized.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the net OPEB liability for MCHCP and total OPEB liability for MHPML and CEIP, to changes in the single discount rate, the following presents the State's liability, calculated using a single discount rate, as well as, what the plan's liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	4.71%	5.71%	6.71%
MCHCP Net OPEB Liability	2,074,806	1,756,787	1,505,080
	2.58%	3.58%	4.58%
MHPML Total OPEB Liability	1,356,435	1,121,399	941,641
	2.87%	3.87%	4.87%
CEIP Total OPEB Liability	163,978	134,757	112,431
	4.71%	5.71%	6.71%
MCHCP-CU Net OPEB Liability	571	484	414

Note 8 - Other Postemployment Benefits (cont.)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Regarding the sensitivity of the net OPEB liability for MCHCP and the total OPEB liability for MHPML and CEIP, to changes in healthcare cost trend rates, the following presents the plan's liability, calculated using healthcare cost trend rates, as well as, what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
MCHCP Net OPEB Liability	1,497,398	1,756,787	2,085,312
MHPML Total OPEB Liability	919,386	1,121,399	1,392,141
CEIP Total OPEB Liability	112,514	134,757	164,184
MCHCP-CU Net OPEB Liability	412	484	574

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separate financial reports issued by MCHCP:

Missouri Consolidated Health Care Plan
P.O. Box 104355
Jefferson City, Missouri 65110-4355
www.mchcp.org

Missouri State Insured Defined Benefit Insurance Plan

The Missouri State Insured Defined Benefit Insurance Plan is administered through The Standard, which is a third party administrator with oversight by Missouri State Employees Retirement System (MOSERS). In the event that the Standard becomes insolvent, the Missouri Guarantee Association will work with the Standard to see what assets are available to handle their liabilities and the MO Guarantee Association would handle the open and unpaid claims up to the maximum outlined in Section 376.717 RSMo.

Retiree Life Insurance

Members who retire on or after October 1, 1985 or retirees of the Department of Labor and Industrial Relations (DOLIR) who retire on or after January 1, 1996 are eligible for $5,000 of state-sponsored basic life insurance coverage if they retire directly from active employment. This group plan is financed on a percentage of payroll and is purchased as a group policy through competitive bids. Premiums are contributed as provided by Section 104.515, RSMo. Retirees of the DOLIR who retire prior to January 1, 1996 are eligible for state-sponsored insured defined benefit coverage in the same amount of coverage they were receiving through the DOLIR. The coverage for this closed group is purchased as a group policy at a current cost of $2.07 per thousand dollars of coverage, per month as provided by Section 288.225 RSMo. OPEB expense for fiscal year 2018 was $1,902,000.

Long-Term Disability Insurance (LTD)

MOSERS provides (LTD) coverage for eligible members and generally includes those active members of MOSERS' retirement plans who do not have other disability coverage and are not yet eligible to receive normal (unreduced) retirement benefits. There were 32,836 members covered under the program, as of June 30, 2018. This insured defined-benefit coverage is billed on percentage of covered payroll (0.55%). Purchased as group policy through competitive bids, LTD is administered by The Standard Insurance Company. The cost for the year ended June 30, 2018 was $8,130,000. Premiums are contributed by the state and its component employers as provided for by Section 104.515, RSMo.

Note 8 - Other Postemployment Benefits (cont.)

University of Missouri System

Plan Description

In addition to the retirement benefits described in *Note 7,* the University of Missouri operates a single-employer, defined benefit Other Postemployment Benefits (OPEB) Plan. The assets of the OPEB Trust Fund are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with the plan. The OPEB plan provides postemployment medical, dental, and life insurance benefits to employees who retire from the University after attaining age 55 and before reaching age 60 with ten or more years of service, or after age 60 with five or more years of service. As of January 1, 2018, employees must be 60 years old and have 20 years of service at the date of retirement to access the same percentage subsidy as retirees prior to January 1, 2018. Employees with age plus years of service less than 80, but with more than 5 years of service as of January 1, 2018 will receive a subsidy of $100 per year of service up to a maximum of $2,500 annually. Employees with less than 5 years of service as of January 1, 2018 will not receive an insurance subsidy or be eligible to participate in the University's plans.

As of June 30, 2018 and 2017, 8,603 and 7,517 retirees, respectively, were receiving benefits, and an estimated 10,649 active University employees may become eligible to receive benefits under the plan. Post-employment medical, dental and life insurance benefits are also provided to long-term disability claimants who were vested in the University's Retirement Plan at the date the disability began, provided the onset date of the disability was on or after September 1, 1990. As of June 30, 2018 and 2017, 210 and 166 long-term disability claimants, respectively, met those eligibility requirements. The terms and conditions governing the postemployment benefits to which employees are entitled are at the sole authority and discretion of the University's Board of Curators. The OPEB plan does not issue a separate financial report.

Contributions

Postemployment benefits are funded through both employer and employee contributions. Contribution requirements of employees and the University are established and may be amended by the University's Board of Curators. For employees retiring prior to September 1, 1990, the University contributes 2/3 of the medical benefits premium and 1/2 of the dental plan premium. For employees who retire on or after September 1, 1990, the University contributes towards premiums based on the employee's length of service and age at retirement.

The University makes available two group term life insurance options. Option A coverage is equal to the retiree's salary at the date of retirement, while Option B is equal to two times the amount. For each Option, graded decreases in coverage are made when the retiree attains specific age levels. The University pays the full cost of Option A and approximately 91% of Option B coverage. Coverage for group term life insurance ends on January 1 following the retiree's 70th birthday.

For the years ended June 30, 2018 and 2017, participant contributions were $16,480,000 and $14,750,000 or approximately 49.9% and 47.5% respectively, of the total premiums through their required contributions, which vary depending on the plan and coverage selection. In fiscal years 2018 and 2017, the contribution rate as a percentage of covered payroll was 2.58% and 2.72%, respectively, and the University contributed $18,590,000 and $21,394,000, respectively.

The University also makes available two long-term disability options to its employees. Option A coverage is equal to 60% of the employee's salary on the date the disability began, when integrated with benefits from all other sources. Option B coverage is equal to 66-2/3% of the employee's salary, integrated so that benefits from all sources will not exceed 85% of the employee's salary. Both options have a 149-day waiting period and provide benefits until age 65. The University pays the full cost of the Option A premium, while employees enrolled in Option B pay the additional cost over the Optional A premium.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the net OPEB liability for the University was based on an actuarial valuation as of June 30, 2018 and measured as of that date. For the year ended June 30, 2018, fiduciary net position as a percentage of the net OPEB liability amounted to 7.68%.

Note 8 - Other Postemployment Benefits (cont.)

Changes in net OPEB liability (in thousands of dollars):

	Total OPEB Liability (TOL)	Fiduciary Net Pension (FNP)	Net OPEB Liability (NOL)
Balances at June 30, 2017	$ 498,407	$ 36,144	$ 462,263
Changes for the year:			
Service Cost	4,991	—	4,991
Interest	17,434	—	17,434
Changes in assumptions	(18,998)	—	(18,998)
Contributions – Employer	—	18,590	(18,590)
Contributions – Employee	—	16,480	(16,480)
Net Investment Income	—	790	(790)
Benefit payments, including refunds of employee contributions	(22,828)	(35,031)	12,203
Administrative Expenses	—	(172)	172
Net Changes	(19,401)	657	(20,058)
Balances at June 30, 2018	$ 479,006	$ 36,801	$ 442,205

For the year ended June 30, 2018, the University recognized OPEB expense of $15,947,000. At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to OPEBs were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ —	$ 33,795
Net difference between projected and actual earnings on OPEB plan investments	—	1,180
Total	$ —	$ 34,975

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of those items (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources Recognition
2019	$ (6,478)
2020	(6,478)
2021	(6,478)
2022	(6,295)
2023	(5,978)
Thereafter	(3,268)
Totals	$ (34,975)

Note 8 - Other Postemployment Benefits (cont.)

Actuarial Assumptions

The total OPEB liability at June 30, 2018, is based upon the June 30, 2018, using the entry age normal, as a level percentage of pay, actuarial cost method. Significant actuarial assumptions used in the actuarial valuations are the following:

Price Inflation	2.2%
Salary Increases	Varies based on age: 0.5% to 4.6% (including inflation) for academic and administrative; 0.2% to 3.0% (including inflation) for clerical and service
Investment Rate of Return	3.87%
Retiree Health PPO Plan, Healthy Savings, and Rx Healthcare Cost Trend Rate	8.75% decreasing by 0.25% per year until ultimate trend of 4.5% is reached.
Pre-65 Rx trend rate	9.75% decreasing by 0.25% per year until ultimate trend of 4.5% is reached.
Medicare Advantage Plans medical trend rate	4.6% and 37.5% for Base Plan; 5.6% and 24.2% for Buy-Up Plan; then 6.5% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
EWP Rx trend rate	8.75% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Dental trend rates	3.0% all years.

The University's actuarial assumptions used in the June 30, 2018 valuation involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Benefit projections for financial reporting purposes are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the historical pattern of cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. For healthy retiree mortality rates, the RP-2014 Healthy Employee/Annuitant Mortality Table projected generationally using Scale MP-2017 was used. For disabled retiree mortality rates, the RP-2014 Disabled Annuitant Mortality Table projected generationally using Scale MP-2017 was used.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% for the year ended June 30, 2018. The projection of cash flows used to determine the discount rate assumed that the University would not make additional contributions to the OPEB Trust and would continue to fund the plan on a pay-as-you-go basis, therefore the University's investments related to OPEB are considered cash and cash equivalents. For the June 30, 2018 actuarial valuation, 3.87% was used as the long-term expected rate of return. Based on these assumptions, the OPEB Plan's fiduciary net position was not projected to cover a full year of projected future benefit payments. Therefore, all future benefit payments are discounted at the current index rate for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the net OPEB liability for the University, to changes in the single discount rate, the following presents the University's liability, calculated using a single discount rate, as well as, what the plan's liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	2.87%	3.87%	4.87%
Net OPEB Liability	513,279	442,205	387,166

Note 8 - Other Postemployment Benefits (cont.)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Regarding the sensitivity of the net OPEB liability for the University, to changes in healthcare cost trend rates, the following presents the University's liability, calculated using healthcare cost trend rates, as well as, what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Net OPEB Liability	395,187	442,205	502,943

Detailed information concerning the Plan is presented in the University's 2018 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211
www.umsystem.edu

Note 9 - Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account, or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Note 9 - Deferred Compensation (cont.)

Missouri State Public Employees' Deferred Compensation Plan:

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least $25 to the Missouri State Public Employees' Deferred Compensation Plan. As of March 2010, employer incentive (match) associated with the State of Missouri Deferred Compensation Plan was suspended. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employers as well as rollovers from other qualified plans. During fiscal year 2018, net rollovers and contributions to ICMA-RC were $62,226,000.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Note 10 - Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2018 (in thousands of dollars):

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental Activities:				
Bank Overdraft	$ 2	$ 1,307,691	$ (1,307,691)	$ 2

Note 11 - Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018 (in thousands of dollars):

	*Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018	Due Within One Year
Governmental Activities:					
Due to Other Entities	$ 1,361	$ 59	$ —	$ 1,420	$ —
General Obligation Bonds Payable	154,830	—	(50,135)	104,695	38,575
Other Bonds Payable	2,943,825	124,905	(261,490)	2,807,240	274,690
Unamortized Bond Premium	198,449	9,751	(41,324)	166,876	—
Obligations under Lease Purchase	99,816	9,089	(28,945)	79,960	25,137
Pollution Remediation	47,431	49	(1,241)	46,239	1,783
Compensated Absences	175,015	205,122	(207,408)	172,729	166,929
Claims Liability	177,678	505,888	(507,613)	175,953	118,754
Contingent Liabilities	71,150	4,368	(26,595)	48,923	38,426
2nd Injury Fund Contingent Liabilities	1,840,186	213,633	(100,651)	1,953,168	100,651
Net/Total Other Postemployment Benefit Obligation	3,000,304	219,274	(271,828)	2,947,750	—
Net Pension Liability	5,880,832	1,265,404	(945,511)	6,200,725	—
Total Governmental-Type Activities	$ 14,590,877	$ 2,557,542	$ (2,442,741)	$ 14,705,678	$ 764,945
Business-Type Activities:					
Obligations under Lease Purchase	$ 128	$ —	$ (128)	$ —	$ —
Claims Liability	81,868	15,244	(13,094)	84,018	13,200
Grand Prize Winner Liability	111,185	77,108	(81,708)	106,585	79,233
Compensated Absences	4,604	7,621	(7,765)	4,460	4,404
Net Other Postemployment Benefit Obligation	53,866	4,868	(2,908)	55,826	—
Net Pension Liability	119,627	68,098	(50,883)	136,842	—
Total Business-Type Activities	$ 371,278	$ 172,939	$ (156,486)	$ 387,731	$ 96,837

*Beginning balances as of June 30, 2017 have been restated (see *Note 18*).

Note 12 - Bonds Payable

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Position, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

Note 12 - Bonds Payable (cont.)

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Three types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Water Pollution Control Bonds:				
Series A 2010-Refunding	7/27/10	$ 81,450	A 2001	$ 15,030
			A 2002	20,225
			B 2002-Refunding	12,990
			A 2005-Refunding	8,595
			A 2007	31,385
Series A 2012-Refunding	9/27/12	62,460	A 2002	3,225
			B 2002-Refunding	64,080
Fourth State Building Bonds:				
Series A 2010-Refunding	7/27/10	9,060	A 2002-Refunding	8,970
			A 2005-Refunding	1,470
Series A 2012-Refunding	9/27/12	100,395	A 2002-Refunding	110,535
Stormwater Control Bonds:				
Series A 2010-Refunding	7/27/10	15,150	A 2001	7,320
			A 2002	8,475
			A 2005-Refunding	905

Note 12 - Bonds Payable (cont.)

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2018, $594,494,240 of the Water Pollution Control Bonds; $250,000,000 of the Fourth State Building Bonds; and $45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is $130,505,760 and for Stormwater Control Bonds is $155,000,000. There is no remaining authorization for the Fourth State Buildings Bonds.

General obligation bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2007	4.0 - 5.0%	6/1; 12/1	11/07	12/1/21	$ 50,000	$ 7,435
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	81,450	42,365
Series A 2012-Refunding	3.0 - 4.0%	10/1; 4/1	9/12	10/1/19	62,460	3,670
Fourth State Building Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	9,060	4,710
Series A 2012-Refunding	2.0 - 4.0%	10/1; 4/1	9/12	10/1/21	100,395	38,640
Stormwater Control Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	15,150	7,875
Total General Obligation Bonds					$ 318,515	$ 104,695
Less: Amount in Sinking Fund for payment of Principal						(42,619)
						$ 62,076

As of June 30, 2018, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 38,575	$ 3,712	$ 42,287
2020	21,590	2,445	24,035
2021	15,880	1,666	17,546
2022	16,560	964	17,524
2023	12,090	302	12,392
Totals	$ 104,695	$ 9,089	$ 113,784

Note 12 - Bonds Payable (cont.)

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals $1,545,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Board of Public Buildings:				
Series A 2011-Refunding	09/27/11	$ 143,020	A 2001	$ 126,850
			A 2003	12,620
			A 2006	3,175
Series A 2012-Refunding	08/23/12	278,835	A 2003	285,340
Series A 2013-Refunding	10/11/13	29,370	A 2003	30,195
Series A 2014-Refunding	08/19/14	88,680	A 2006	87,225
Series A 2015-Refunding	04/01/15	20,250	A 2011-Refunding	21,380

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2018, the Board of Public Buildings Bonds had issued $1,192,915,000 of the bond authorization. The remaining authorization is $352,085,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2011-Refunding	1.0 - 5.0%	4/1; 10/1	9/11	10/1/28	$ 143,020	$ 82,940
Series A 2012-Refunding	2.0 - 5.0%	4/1; 10/1	8/12	10/1/28	278,835	219,565
Series A 2013-Refunding	2.0 - 5.0%	4/1; 10/1	10/13	10/1/28	29,370	23,120
Series A 2014-Refunding	1.0 - 5.0%	4/1; 10/1	8/14	10/1/30	88,680	80,930
Series A 2015-Refunding	5.0%	4/1; 10/1	4/15	10/1/24	20,250	20,250
Series A 2015	3.0 - 5.0%	4/1; 10/1	4/15	10/1/39	36,805	34,180
Series B 2015	3.0 - 5.0%	4/1; 10/1	9/15	4/1/30	60,000	49,250
Series A 2016	3.0 - 4.0%	4/1; 10/1	5/16	4/1/36	100,000	88,085
Series A 2017	2.0 - 5.0%	4/1; 10/1	9/17	4/1/32	77,165	72,300
Series A 2018	3.0 - 5.0%	4/1; 10/1	5/18	4/1/38	47,740	47,740
Total Board of Public Buildings Bonds					$ 881,865	$ 718,360

Note 12 - Bonds Payable (cont.)

As of June 30, 2018, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 48,610	$ 25,789	$ 74,399
2020	50,595	23,645	74,240
2021	52,880	21,267	74,147
2022	55,220	18,828	74,048
2023	57,480	16,573	74,053
2024-2028	304,060	48,612	352,672
2029-2033	118,580	11,354	129,934
2034-2038	26,620	3,018	29,638
2039-2040	4,315	152	4,467
Totals	$ 718,360	$ 169,238	$ 887,598

The Missouri Health and Educational Facilities Authority (MOHEFA) issued $35,000,000 of Educational Facilities Revenue Bonds (University of Missouri-Columbia Arena Project) Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri-Columbia campus. The Missouri Health and Educational Facilities Authority (MOHEFA) issued $20,125,000 of Educational Facilities Refunding Revenue Bonds Series 2011, dated November 17, 2011. The Refunding Educational Facilities Revenue bonds refunded $22,770,000 of Educational Facilities Revenue Bonds Series 2001. These bonds are special, limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Educational Facilities Revenue Bonds:						
Series 2011-Refunding	2.0 - 5.0%	4/1; 10/1	11/11	10/1/21	$ 20,125	$ 9,145

As of June 30, 2018, the debt service requirements for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 2,115	$ 404	$ 2,519
2020	2,225	296	2,521
2021	2,340	182	2,522
2022	2,465	62	2,527
Totals	$ 9,145	$ 944	$ 10,089

Note 12 - Bonds Payable (cont.)

The Regional Convention and Sports Complex Authority issued $132,910,000 of Convention and Sports Facility Project Bonds Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued $121,705,000 of Convention and Sports Facility Project Refunding Bonds Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was $101,410,000. On August 1, 2003, the Authority issued $116,030,000 of Convention and Sports Facility Project Refunding Bonds Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was $2,845,000 for the Series A 1991 bonds and $113,170,000 for the Series A 1993 refunding bonds. On August 20, 2013, the Authority issued $65,195,000 of Convention and Sports Facility Project Refunding Bonds Series A 2013 for the purpose of refunding Convention and Sports Facility Project Refunding Bonds Series A 2003. The principal amount refunded was $64,385,000. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Convention and Sports Facility Project Bonds:						
Series A 2013-Refunding	2.0 - 5.0%	2/15; 8/15	8/13	8/15/21	$ 65,195	$ 35,450

As of June 30, 2018, the debt service requirements for the principal and interest in future years for the Convention and Sports Facility Project Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 8,225	$ 1,567	$ 9,792
2020	8,635	1,145	9,780
2021	9,070	703	9,773
2022	9,520	238	9,758
Totals	$ 35,450	$ 3,653	$ 39,103

Note 12 - Bonds Payable (cont.)

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount of $10,000,000 for principal and interest and $2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment were as follows (in thousands of dollars):

Fiscal Year Ended June 30	State Debt Service Payments
2019	$ 10,000
2020	10,000
2021	10,000
2022	5,000
Total	$ 35,000

The Missouri Development Finance Board (MDFB) issued $92,660,000 of Series 2014 Bonds dated December 10, 2014 and $97,225,000 of Series 2016 Bonds dated December 15, 2016, to fund the replacement of the Fulton State Hospital. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – Fulton State Hospital Project Bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Fulton State Hospital Project Bonds:						
Series 2014	2.25 - 5.0%	4/1; 10/1	12/14	10/1/39	$ 92,660	$ 85,700
Series 2016	4.0 - 5.0%	4/1; 10/1	12/16	10/1/39	97,225	94,810
Total Fulton State Hospital Bonds					$ 189,885	$ 180,510

As of June 30, 2018, the debt service requirements for principal and interest in future years for the Fulton State Hospital Project Bonds (based on the financing agreement between the State and the Board) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 5,095	$ 7,252	$ 12,347
2020	5,355	6,991	12,346
2021	5,625	6,717	12,342
2022	5,910	6,428	12,338
2023	6,210	6,125	12,335
2024-2028	34,935	26,667	61,602
2029-2033	42,445	19,059	61,504
2034-2038	51,340	10,118	61,458
2039-2040	23,595	969	24,564
Totals	$ 180,510	$ 90,326	$ 270,836

Note 12 - Bonds Payable (cont.)

The Missouri Development Finance Board (MDFB) issued $33,800,000 of Series A 2016 Bonds dated March 11, 2016, to fund the State Historical Society project. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – State Historical Society Project Bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
State Historical Society Project Bonds:						
Series A 2016	2.0 - 5.0%	4/1; 10/1	3/16	10/1/35	$ 33,800	$ 31,405

As of June 30, 2018, the debt service requirement of the State for principal and interest in future years for the State Historical Society Project were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 1,290	$ 1,039	$ 2,329
2020	1,350	973	2,323
2021	1,415	903	2,318
2022	1,480	831	2,311
2023	1,530	779	2,309
2024-2028	8,295	3,168	11,463
2029-2033	9,605	1,738	11,343
2034-2036	6,440	300	6,740
Totals	$ 31,405	$ 9,731	$ 41,136

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29-34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri Road Fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2018, the Missouri Highways and Transportation Commission had issued $3,812,195,000.

Note 12 - Bonds Payable (cont.)

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Senior Lien State Road Bonds:				
Series 2006-Refunding	12/13/06	$ 394,870	A 2000	$ 135,980
			A 2001	105,075
			A 2002	109,165
			A 2003	57,390
Series C 2010-Refunding	11/10/10	130,390	A 2001	11,135
			A 2002	18,405
			A 2003	111,760
Series A 2014-Refunding	6/3/14	589,015	A 2006	149,150
			B 2006	503,330
Series B 2014-Refunding	6/3/14	311,975	2007	325,290

The State Road Bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series 2006-Refunding	4.00 - 5.00%	2/1; 8/1	12/06	2/1/19	$ 394,870	$ 61,200
Series A 2008-Second Lien	3.00 - 5.00%	5/1; 11/1	12/08	5/1/25	142,735	78,260
Series A 2009	2.00 - 5.00%	5/1; 11/1	9/09	5/1/21	195,625	62,620
Series B 2009	4.802 - 5.252%	5/1; 11/1	9/09	5/1/33	404,375	404,375
Series C 2009-Third Lien	4.313 - 5.213%	5/1; 11/1	11/09	5/1/29	300,000	261,325
Series A 2010	1.50 - 5.00%	5/1; 11/1	3/10	5/1/22	128,865	42,160
Series B 2010	4.72 - 5.02%	5/1; 11/1	3/10	5/1/25	56,135	56,135
Series C 2010-Refunding	3.00 - 5.00%	2/1; 8/1	11/10	2/1/23	130,390	65,770
Series A 2014-Refunding	2.00 - 5.00%	5/1; 11/1	6/14	5/1/26	589,015	550,250
Series B 2014-Refunding	3.00 - 5.00%	5/1; 11/1	6/14	5/1/25	311,975	250,275
Total Missouri Highways and Transportation Commission					$ 2,653,985	$ 1,832,370

Note 12 - Bonds Payable (cont.)

As of June 30, 2018, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 209,355	$ 92,447	$ 301,802
2020	170,340	82,413	252,753
2021	183,515	74,224	257,739
2022	196,330	65,170	261,500
2023	199,720	55,530	255,250
2024-2028	643,185	145,947	789,132
2029-2033	229,925	35,328	265,253
Totals	$ 1,832,370	$ 551,059	$ 2,383,429

Component Units' Long-Term Debt - The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2018, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 65,444	$ 90,594	$ 156,038
2020	173,123	85,836	258,959
2021	62,475	81,092	143,567
2022	62,794	78,691	141,485
2023	67,588	76,172	143,760
2024-2028	386,913	336,250	723,163
2029-2033	322,833	260,885	583,718
2034-2038	260,388	194,078	454,466
2039-2043	329,044	111,257	440,301
2044-2048	153,115	35,591	188,706
2049-2053	—	31,778	31,778
2054-2057	150,000	9,533	159,533
Totals [1]	$ 2,033,717	$ 1,391,757	$ 3,425,474

[1] The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Note 12 - Bonds Payable (cont.)

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued $6,500,000 in St. Louis Convention Center Hotel Series 2000B, taxable infrastructure facilities revenue bonds and $14,600,000 in St. Louis Convention Center Hotel Series 2000C, tax-exempt infrastructure facilities revenue bonds, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In April 2010, the Board issued $9,000,000 in Seventh Street Garage Series 2010A, tax exempt infrastructure facilities revenue bonds.

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2018, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	Variable	12/1	12/00	12/1/20	$ 6,500	$ 3,910
Series 2000C	Variable	12/1	12/00	12/1/20	14,600	5,410
Series 2010A	Variable	monthly	4/10	5/1/40	9,000	7,832
Total Missouri Development Finance Board Revenue Bonds					$ 30,100	$ 17,152

As of June 30, 2018, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2019	$ 223	$ 250	$ 473
2020	232	247	479
2021	9,562	244	9,806
2022	252	101	353
2023	264	98	362
2024-2028	1,501	426	1,927
2029-2033	1,855	306	2,161
2034-2038	2,292	157	2,449
2039-2040	971	14	985
Totals [1]	$ 17,152	$ 1,843	$ 18,995

[1]The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Note 12 - Bonds Payable (cont.)

The annual debt service schedule assumes an interest rate of 0.098%, representing the interest rate at June 30, 2018, for the Series 2000B and Series 2000C bonds. The annual debt service also assumes an interest rate of 4.25%, representing the interest rate as of June 30, 2018, for the Seventh Street Garage Series 2010A bonds. As of June 28, 2012 through April 30, 2015, the Board entered into an interest deferral agreement whereby the bond interest rate for the Seventh Street Garage Series 2010A bonds is the lesser of the modified pay rate or 4.25% annually.

Bond Transactions of the State of Missouri - The following schedule is a summary of bond activity for the fiscal year ended June 30, 2018 (in thousands of dollars):

	Governmental Funds		Component Units	
	General Obligation Bonds	Other Bonds	Revenue Bonds	Totals
Bonds Payable at July 1, 2017	$ 154,830	$ 2,943,825	$ —	$ 3,098,655
Bond Issuance	—	124,905	—	124,905
Bonds Retired	(50,135)	(261,490)	—	(311,625)
Subtotal	104,695	2,807,240	—	2,911,935
College and Universities [1]	—	—	2,033,717	2,033,717
Missouri Development Finance Board	—	—	17,152	17,152
Bonds Payable at June 30, 2018	$ 104,695	$ 2,807,240	$ 2,050,869	$ 4,962,804

[1] Detailed information for college and universities are not shown.

Note 13 - Defeased Debt

A. Current Year Debt Defeasance

On December 20, 2017, Missouri State University issued $36,190,000 of Auxiliary Enterprise System Revenue Bonds, Series 2017A, with interest rate ranging from 2.15% to 2.63%. As a result of the refunding, the University reduced its total debt service payments by $2,659,129 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of $2,120,193.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by the advance refunding of bonds. Irrevocable escrow accounts, containing proceeds of the refunding bond issues in the form of cash and U.S. government securities, are used to pay principal, interest, or redemption prices of the defeased bonds as and when due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Position.

Governmental Activities - As of June 30, 2018, bonds outstanding of $21,380,000 are defeased.

College and Universities - As of June 30, 2018, bonds outstanding of $309,010,000 are defeased.

Note 14 - Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2018, is shown below (in thousands of dollars):

	Governmental Activities	Business-Type Activities	Balance June 30, 2018
Accounts Payable:			
Taxpayers	$ 165,378	$ 85	$ 165,463
Other Governments	96,754	1	96,755
Vendors	1,128,200	25,829	1,154,029
Employees	115,347	3,278	118,625
Other	79,097	6	79,103
Total Accounts Payable	$ 1,584,776	$ 29,199	$ 1,613,975
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	$ 1,912,622	$ 1,678	$ 1,914,300
Other Governments	844,703	6,388	851,091
Vendors	129,324	—	129,324
Customers	181,575	161,822	343,397
Other	1,382,427	567	1,382,994
	4,450,651	170,455	4,621,106
Accounts Receivable with expected date of receipt greater than one year:			
Taxpayers	111,822	—	111,822
Other Governments	16	—	16
Vendors	25,952	—	25,952
Customers	148,322	20	148,342
Other	23,187	—	23,187
	309,299	20	309,319
Accounts Receivable	4,759,950	170,475	4,930,425
Amounts not expected to be collected	(532,052)	—	(532,052)
Accounts Receivable, net	$ 4,227,898	$ 170,475	$ 4,398,373

The Accounts Receivable amounts greater than one year for taxpayers increased from FY17 due to an error correction.

Note 15 - Deferred Inflows and Outflows

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

Note 15 - Deferred Inflows and Outflows (cont.)

The components of deferred outflows of resources and deferred inflows of resources reported in the government-wide financial statements as of June 30, 2018, are as follows (in thousands):

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Deferred Outflows of Resources				
Pension Differences Between Expected and Actual Experience	$ 23,753	$ 876	$ 24,629	$ 19,320
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	806,507	26,490	832,997	176,530
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	15	—	15	6,630
Pension Changes in Assumptions	393,057	13,876	406,933	290,333
Pension Contributions Subsequent to the Measurement Date	543,512	11,395	554,907	63,393
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	57	2	59	—
OPEB Changes in Assumptions	—	—	—	29
OPEB Contributions Subsequent to the Measurement Date	92,526	2,496	95,022	20
Deferred for Refunding Bonds	57,242	—	57,242	31,219
Cash Flow Hedge	—	—	—	12,953
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	—	387
Total Deferred Outflows of Resources	$ 1,916,669	$ 55,135	$ 1,971,804	$ 600,814
Deferred Inflows of Resources				
Pension Differences Between Expected and Actual Experience	$ 130,935	$ 2,491	$ 133,426	$ 49,222
Pension Changes in Assumptions	10,339	397	10,736	2,279
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	92,183	—	92,183	—
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	2,579	94	2,673	4,136
OPEB Differences Between Expected and Actual Experience	3,055	119	3,174	1
OPEB Changes in Assumptions	144,295	—	144,295	34,161
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	164	6	170	1,180
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	—	—	18
Deferred for Refunding Bonds	632	—	632	—
Charitable Annuities	—	—	—	13,393
Total Deferred Inflows of Resources	$ 384,182	$ 3,107	$ 387,289	$ 104,390

Note 15 - Deferred Inflows and Outflows (cont.)

Deferred inflows and outflows of resources balances are as follows (in thousands):

Deferred inflows of resources on the governmental funds balance sheet as of June 30, 2018 are unavailable revenues. Unavailable revenues are those for which asset recognition criteria has not been met for governmental funds, which uses the modified accrual basis of accounting (in thousands):

Governmental Funds	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds	Total
Deferred Inflows of Resources						
Unavailable Revenue	$1,096,787	$ 57,102	$ 24,263	$ 22,532	$ 7,605	$ 1,208,289

Proprietary	State Lottery	Petroleum Storage Tank Insurance	Non-Major Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds
Deferred Outflows of Resources					
Pension Differences Between Expected and Actual Experience	$ 99	$ 13	$ 764	$ 876	$ 694
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,972	406	23,112	26,490	20,986
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	—	—	—	—	15
Pension Changes in Assumptions	1,556	213	12,107	13,876	10,993
Pension Contributions Subsequent to the Measurement Date	1,291	177	9,927	11,395	9,292
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	—	2	2	1
OPEB Contributions Subsequent to the Measurement Date	283	38	2,175	2,496	1,896
Total Deferred Outflows of Resources	$ 6,201	$ 847	$ 48,087	$ 55,135	$ 43,877
Deferred Inflows of Resources					
Pension Differences Between Expected and Actual Experience	$ 279	$ 39	$ 2,173	$ 2,491	$ 1,973
Pension Changes in Assumptions	44	6	347	397	314
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	11	1	82	94	199
OPEB Differences Between Expected and Actual Experience	13	2	104	119	87
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1	—	5	6	4
Total Deferred Inflows of Resources	$ 348	$ 48	$ 2,711	$ 3,107	$ 2,577

Note 15 - Deferred Inflows and Outflows (cont.)

Fiduciary	Pension (And Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds
Deferred Outflows of Resources		
Pension Differences Between Expected and Actual Experience	$ —	$ 9
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	—	250
Pension Changes in Assumptions	—	131
Pension Contributions Subsequent to the Measurement Date	—	110
OPEB Contributions Subsequent to the Measurement Date	335	24
Total Deferred Outflows of Resources	$ 335	$ 524
Deferred Inflows of Resources		
Pension Differences Between Expected and Actual Experience	$ —	$ 23
Pension Changes in Assumptions	—	4
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	—	1
OPEB Differences Between Expected and Actual Experience	13	1
OPEB Changes in Assumptions	199	—
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1	—
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	58	—
Total Deferred Inflows of Resources	$ 271	$ 29

Note 15 - Deferred Inflows and Outflows (cont.)

Component Units	College and Universities	Non-Major
Deferred Outflows of Resources		
Pension Differences Between Expected and Actual Experience	$ 19,306	$ 14
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	176,119	411
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	6,521	109
Pension Changes in Assumptions	290,118	215
Pension Contributions Subsequent to the Measurement Date	63,199	194
OPEB Changes in Assumptions	29	—
OPEB Contributions Subsequent to the Measurement Date	—	20
Deferred for Refunding Bonds	31,219	—
Cash Flow Hedge	12,953	—
Accumulated Decrease in Fair Value of Hedging Derivatives	—	387
Total Deferred Outflows of Resources	$ 599,464	$ 1,350
Deferred Inflows of Resources		
Pension Differences Between Expected and Actual Experience	$ 49,183	$ 39
Pension Changes in Assumptions	2,273	6
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	4,024	112
OPEB Differences Between Expected and Actual Experience	—	1
OPEB Changes in Assumptions	34,161	—
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1,180	—
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	18
Charitable Annuities	13,393	—
Total Deferred Inflows of Resources	$ 104,214	$ 176

Note 16 - Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2018, is shown below (in thousands of dollars):

	Due From Other Funds, Component Units, and Primary Government					
	Public Education	Conservation and Environmental Protection	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	Totals
Due to Other Funds, Component Units, and Primary Government						
General Fund	$ —	$ —	$ —	$ 46	$ 4,942	$ 4,988
Public Education	—	—	—	—	14	14
Conservation and Environmental Protection	—	—	—	329	222	551
Missouri Road Fund	—	—	—	—	227	227
Non-Major Governmental Funds	—	—	—	—	1,189	1,189
State Lottery	27,950	—	—	—	57	28,007
Unemployment Compensation	—	—	630	—	—	630
Petroleum Storage Tank Insurance	—	—	—	2	4	6
Non-Major Enterprise Funds	—	—	—	—	87	87
Internal Service Funds	—	—	—	3	275	278
Non-Major Component Units	—	250	—	—	2	252
Totals	$ 27,950	$ 250	$ 630	$ 380	$ 7,019	$ 36,229

	Advance From Component Units
	Non-Major Component Units
Advance To Component Units	
Conservation and Environmental Protection	$ 267

The loans from the component units were for animal waste treatment systems.

During the consolidation process for the Government-Wide Statement of Net Position, interfund payables and receivables were eliminated as follows: $2,000 on the face of the Proprietary Funds Statements of Net Assets and governmental activities in the amount of $6,869,000.

The $26.4 million increase in the amount due to the Lottery Proceeds Fund from the State Lottery is due to increased lottery ticket sales during fiscal year 2018 and the timing of actual cash transfers in the year end cash to accrual adjustments.

Note 17 - Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2018, were as follows (in thousands of dollars):

	Transfers In:				
Transfers Out:	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds
General Fund	$ —	$ 1,007,870	$ 2,074	$ —	$ 292,836
Public Education	27,513	—	—	—	—
Conservation and Environmental Protection	1,532	—	—	—	1,702
Non-Major Governmental Funds	22,103	5,050	—	463,282	5,611
State Lottery	—	332,453	—	—	—
Unemployment Compensation	—	—	—	—	7,277
Non-Major Enterprise Funds	327	—	—	—	721
Internal Service Funds	2,121	—	—	—	80
Totals	$ 53,596	$ 1,345,373	$ 2,074	$ 463,282	$ 308,227

Continues Below

Transfers Out:	State Lottery	Non-Major Enterprise Funds	Internal Service Funds	Totals
General Fund	$ —	$ 698	$ 79	$ 1,303,557
Public Education	—	—	—	27,513
Conservation and Environmental Protection	—	—	—	3,234
Non-Major Governmental Funds	—	8,400	—	504,446
State Lottery	—	—	—	332,453
Unemployment Compensation	—	—	—	7,277
Non-Major Enterprise Funds	—	—	—	1,048
Internal Service Funds	49	—	35	2,285
Totals	$ 49	$ 9,098	$ 114	$ 2,181,813

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving state lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

There were transfers of capital assets for $11,463,000 from a non-major special revenue fund to the enterprise funds. These are reported as capital contributions in the enterprise funds and excluded from the non-major special revenue funds; therefore these transfers are also not included in the reconciliation.

Note 18 - Restatements

During fiscal year 2018, additional information became available which required fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2017 Fund Balance/ Net Position Previously Reported	Prior Period Adjustments	June 30, 2017 Fund Balance/ Net Position Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	$ 1,437,975	$ (3,722)	$ 1,434,253
Public Education	277,575	464	278,039
Conservation and Environmental Protection	1,818,754	(126)	1,818,628
Non-Major Governmental Funds			
Special Revenue	455,643	(1,711)	453,932
Total Governmental Funds	$ 3,989,947	$ (5,095)	$ 3,984,852
PROPRIETARY FUNDS			
Major Proprietary Funds			
State Lottery	$ (3,178)	$ (6,972)	$ (10,150)
Unemployment Compensation	902,878	647	903,525
Petroleum Storage Tank Insurance	(32,306)	(830)	(33,136)
Non-Major Proprietary Funds			
Enterprise	73,896	(45,523)	28,373
Internal Service	419,655	(48,346)	371,309
Total Proprietary Funds	$ 1,360,945	$ (101,024)	$ 1,259,921
FIDUCIARY FUNDS			
Pension (And Other Employee Benefit) Trust Funds	$ 12,418,799	$ (7,777)	$ 12,411,022
Private Purpose Trust	52,395	(508)	51,887
Total Fiduciary Funds	$ 12,471,194	$ (8,285)	$ 12,462,909
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	$ 6,200,528	$ (295,303)	$ 5,905,225
Non-Major	219,765	(471)	219,294
Total Component Units	$ 6,420,293	$ (295,774)	$ 6,124,519

Breakdown of restatements by type:

- General Fund, the restatement was due to a decrease in cash of $3,000, a decrease in accounts receivable of $3,239,000, an increase in interest receivable of $1,362,000, a decrease of inventories of $1,335,000, and an increase of escheat/unclaimed property of $507,000.
- Public Education, the restatement was due to a decrease in accounts receivable of $49,000 and an increase of interest receivable of $513,000.
- Conservation and Environmental Protection, the restatement was due to a decrease in accounts receivable of $126,000.
- Non-major special revenue funds, the restatement was due to a decrease in accounts receivable of $383,000 and a decrease of inventories of $1,328,000.
- State Lottery, the restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position of $6,972,000.
- Unemployment Compensation, the restatement was due to a decrease of cash and cash equivalents of $96,000, an increase in accounts receivable of $1,365,000, and an increase in accounts payable of $622,000.
- Petroleum Storage Tank Insurance, the restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position of $830,000.

Note 18 - Restatements (cont.)

- Non-major enterprise funds, the restatement was due to an increase in accounts receivable of $34,000, a decrease in inventory of $63,000, and a decrease in capital assets (net of accumulated depreciation/amortization) of $1,916,000. The restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position of $43,578,000.
- Non-major internal service funds, the restatement was due to a decrease in accounts receivable of $120,000, a decrease of capital assets (net of accumulated depreciation/amortization) of $1,774,000, and a decrease of obligations under lease purchase of $481,000. The restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position of $46,933,000.
- Fiduciary funds - pension (and other employee benefit) trust funds, the restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position of $7,777,000.
- Fiduciary funds - private-purpose trust funds, the restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position of $508,000.
- Discretely presented component units - colleges and universities, the restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* decreased net position of $282,320,000. For the University of Missouri, the implementation of GASB Statement No. 81*, Irrevocable Split-Interest Agreements,* decreased net position of $12,983,000.
- Discreetly presented component units - non-major funds, the restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position of $471,000.

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net position for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, capital assets (net of accumulated depreciation/amortization) decreased by $17,969,000, obligations under lease purchase increased by $481,000, deferred outflows of resources for refunding bonds decreased by $5,631,000, unamortized bond premium decreased by $4,730,000, and internal balance increased by $13,000. The restatement due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, decreased net position by $1,770,181,000.

On the Government-Wide Statement of Activities, net position for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds and by a decrease in internal balance of $13,000.

Note 19 - Fund Deficit

The following funds had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2018, this fund had a net position deficit of $40,982,000. The deficit at June 30, 2017 was $33,136,000. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2020, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Under Section 319.132, RSMo, the Board of Trustees has authority to increase the transport load fee to a maximum of $60 per 8,000 gallons. In addition, under Section 319.133, RSMo, the Board can increase annual participation fees to a maximum of $500 per tank per year. These facts, along with the knowledge that PSTIF's claim reserves are set using very conservative assumptions, assure that adequate revenues will be available to meet its liabilities. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Note 19 - Fund Deficit (cont.)

Enterprise Funds – State Lottery and Missouri Veterans' Homes, and Internal Service Funds – Natural Resources Cost Allocation, Economic Development Administrative, Professional Registration Fees, Missouri State Employees Insurance Plan and Missouri Consolidated Health Care Plan – At June 30, 2018, these funds had a net position deficit of $12,196,000, $102,762,000, $15,235,000, $2,599,000, $7,565,000, $46,000 and $20,386,000 respectively. These funds, except for the Missouri State Employees Insurance Plan and Missouri Consolidated Health Care Plan, have deficit balances due to the fiscal year 2015 implementation of GASB 68 and the reporting of net pension liabilities and the fiscal year 2018 implementation of GASB 75 and the reporting of OPEB liabilities. It is expected that these liabilities will be funded over time. The Missouri State Employees Insurance Plan has a deficit due to administrative costs allocated exceeded reimbursement received. The Missouri Consolidated Health Care Plan (MCHCP) had a poor claims experience during fiscal year 2018, due to a few high claimants. This issue is being resolved with a $62.6 million increase in appropriations to MCHCP and by employee health care plan design changes.

Note 20 - Tax Abatements

The State has entered into various agreements to provide tax abatements through certain programs that provide economic benefit to the State.

Tax Abatement Program	Amount of Taxes Abated during Fiscal Year 2018 (in thousands)	
Housing		
Missouri Low Income Housing Tax Credit	$ 169,139	
Neighborhood Preservation Tax Credit	3,293	
Business Recruitment		
Missouri Quality Jobs	68,229	
Missouri Works - Business Incentives	56,399	
Missouri Works New Jobs Training	5,600	
Missouri Works Job Retention Training	3,521	
Missouri Manufacturing Jobs Act	15,638	
Business Use Incentives for Large-Scale Development	9,818	
Enhanced Enterprise Zone	5,569	
Business Facility Tax Credit	6,330	
Amateur Sports Ticket Sales Tax Credit	1,276	
Rebuilding Communities Tax Credit	359	
Development Tax Credit	542	
Data Center Sales Tax Exemption	—	*
Redevelopment		
Historic Preservation Tax Credit	56,483	
Brownfield Remediation	3,160	
Distressed Areas Land Assemblage	68	
TOTAL	$ 405,424	
Chapter 100 Personal Property Tax Exemption - maximum amount exemption certificates issued	$ 268	

*Confidential

Note 20 - Tax Abatements (cont.)

Housing

The Missouri Low Income Housing Tax Credit (MOLIHTC) is authorized by Sections 135.350-135.363, RSMo, and provides a tax credit to qualified owners of affordable rental housing. To qualify upon application, a development must 1) rent at least 20% of its units to families earning 50% of the area median family income or 2) rent at least 40% of its units to families earning 60% of the area median family income, each adjusted for family size. The MOLIHTC generates equity investments that are purchased by the private sector for the development of new or rehabilitated rental housing which enables owners to lower rents to affordable levels for low-income families. The investor of the MOLIHTC can redeem the credit by applying it dollar for dollar to the following types of tax liabilities: income tax, corporate franchise tax, insurance premium tax, other financial institutions tax, or express company tax. MOLIHTC properties must comply with tenant eligibility, property maintenance, and fair housing law throughout a 15-year period. The Missouri Housing Development Commission monitors the properties for compliance and reports non-compliance to the Internal Revenue Service and Missouri Department of Revenue. Property owners found to be out of compliance are subject to recapture through the provisions of Section 135.355, RSMo and IRS §42. The MOLIHTC reduced state taxes by $169,139,000 during fiscal year 2018.

The Neighborhood Preservation Tax Credit is authorized by Sections 135.475-135.487, RSMo, and provides incentives for homeowners in lower income areas who rehabilitate or construct owner-occupied homes in qualifying or eligible areas of the State. Upon application, the eligible property must be in a qualifying area with a median household income of less than 70% of the median household income for the metropolitan statistical area (MSA) or non-MSA; or be located in an eligible area with a median household income of 70-89% of the median household income for the applicable MSA or non-MSA. Recipients are eligible to receive a credit for 15% of eligible costs up to $25,000 per residence for new residences in eligible areas; 15% of eligible costs up to $40,000 per residence for new residences in qualifying areas; 25% of eligible costs with a minimum of $10,000 and not to exceed $25,000 per residence for substantial rehabilitation in eligible areas; 35% of eligible costs with a minimum of $5,000 or 50% of purchase price and not to exceed $70,000 per residence for substantial rehabilitation in qualifying areas; and 25% of eligible costs with a minimum of $5,000 and not to exceed $25,000 per residence for non-substantial rehabilitation in qualifying areas. The abatements can be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. A taxpayer, other than the owner-occupant who receives a certificate of tax credit, shall have 30 days within the date of the sale to furnish satisfactory proof that the residence was sold at market to the Director of the Department of Economic Development (DED). If the Director determines that the residence was not in good faith intended for long-term owner occupancy, then the Director may revoke any tax credits issued and seek recovery of those credits pursuant to Section 620.017, RSMo. There are no other commitments made as part of the agreement. The Neighborhood Preservation Tax Credit reduced state taxes by $3,293,000 during fiscal year 2018.

Business Recruitment

Missouri Quality Jobs is authorized by Sections 620.1875-620.1890, RSMo and provides tax incentives to qualified companies for facilitating the creation of new jobs or the retention of existing jobs in the State. This program has been replaced by Missouri Works, except for current projects. To qualify, the company must create a minimum number of jobs within the project facility within 2 to 3 years after the approval of the Notice of Intent and must maintain those jobs for the duration of the benefit. The average wage of the new jobs must equal or exceed the average county wage and the company must offer health insurance and pay at least 50% of the premium. The company must also submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. Missouri Quality Jobs reduced state taxes by $68,229,000 during fiscal year 2018.

Note 20 - Tax Abatements (cont.)

The Missouri Works - Business Incentives is authorized by Sections 620.2000-620.2020, RSMo and provides tax incentives for qualified companies to create or retain jobs in the State. To qualify for the credit, a company must create or retain a minimum number of new jobs at the project facility with average wages of 80%, 90%, 120%, or 140% of the county average wage, must offer health insurance and pay at least 50% of the premium, must meet the required number of jobs within 2 years of the Approval of the Notice of Intent, must maintain those minimums for the duration of the benefit, and must submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Taxes may be recaptured due to misrepresentation, out-of-state relocation, or failure to file an annual report. The agreement requires 100% of the benefits received to be repaid within 60 days for misrepresentation or out-of state location or one year for failure to file an annual report. There are no other commitments made as part of the agreement. Missouri Works - Business Incentives reduced state taxes by $56,399,000 during fiscal year 2018.

Missouri Works New Jobs Training and Job Retention Training are authorized by Sections 620.800-620.809, RSMo. New Jobs Training provides assistance to eligible companies to train workers in newly created jobs. To qualify, the company must create new jobs in the state; the project must include eligible training costs, as well as other eligibility criteria such as types of occupations, wage rates, and turnover rates. Job Retention Training provides training assistance to eligible companies for job retention efforts. To qualify, a project must be for an existing Missouri company making a capital investment of at least 5 times the total project costs, retaining at least 100 eligible jobs at the facility for at least one year, be located in a border community, or be determined to represent substantial risk of relocation. Eligible companies for both programs include manufacturing, research and development, or those engaged in interstate commerce. The company must retain the eligible jobs in the project for at least 5 years and use the funding only toward eligible project costs. These programs are administered locally through community colleges. While the recipient's taxes are not actually reduced, a portion of normal withholding payments (paid to the Department of Revenue) are deferred to pay for eligible project costs. The amount that can be deferred is 2.5% of the payroll for the first 100 jobs in the project and 1.5% of the payroll for the remaining jobs in the project. The company may file withholding claims for the project until the budgeted project funds are disbursed; typically for a period of 3-5 years, with maximum limit of 8 years. There are no other commitments under these programs. Recapture provisions apply in accordance with Section 620.017, RSMo in which the recipient shall repay training funds under these programs if the jobs included in the project are moved out of Missouri or are eliminated within five years of the date the project is approved by DED. The Director of the Division of Workforce Development within DED shall have the authority and discretion to exempt the recipient in whole or in part of such repayment. Missouri Works New Jobs Training and Job Retention Training reduced state taxes by $5,600,000 and $3,521,000, respectively, during fiscal year 2018.

The Missouri Manufacturing Jobs Act is authorized by Section 620.1910, RSMo and provides incentives in the form of retaining withholding taxes to expand manufacturing facilities for an existing product or the creation of a new product. This program sunset in 2016 and no new applications are being accepted. To qualify, manufacturing companies must have a North American Industry Classification System (NAICS) of 33611, which is an establishment primarily engaged in (1) manufacturing complete automobile and light duty motor vehicles or (2) manufacturing automobile and light duty motor vehicle chassis. The company must manufacture goods at a facility in the state throughout the period benefits are received, and make a capital investment at a facility of at least $75,000 per retained job for the manufacture of a new product within 2 years of beginning to retain withholding taxes or commit to make a capital investment of at least $50,000 per retained job at the facility for the modification or expansion of the manufacture of an existing product within 2 years of beginning to retain withholding taxes. Qualified suppliers of an eligible manufacturer must attest to DED that they derive more than 10% of its total annual sales revenue from sales to a qualified manufacturing company, add 5 or more new jobs for a period of 3 years, pay wages for the new jobs equal to or exceeding the county average wage using the NAICS industry classification, but are not less than 60% of the statewide average wage, and the company must offer health insurance and pay at least 50% of the premium. If qualified, the company is allowed to retain 100% of the withholding tax that would otherwise have been paid in to the state for those jobs for 10 years for qualified manufacturers or 3 to 5 years for qualified suppliers. There are no provisions for recapture and no other commitments are made as part of the agreement. The Missouri Manufacturing Jobs Act reduced state taxes by $15,638,000 during fiscal year 2018.

Note 20 - Tax Abatements (cont.)

Business Use Incentives for Large-Scale Development (BUILD) is authorized by Sections 100.700-100.850, RSMo. The incentives offered by the BUILD Missouri Program are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive. The costs are financed through the issuance of Board of Certificates (bonds or notes), where the principal and interest will be repaid by the business. Businesses are then reimbursed for these repayments through the issuance by the Board of Missouri state income tax credits. The businesses may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has insufficient Missouri income tax liability to offset the credit. A business can apply these credits against income tax, bank tax, insurance premium tax, or other financial institutions tax. To qualify, an eligible industry in manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce must invest a minimum of $15 million; or $10 million for an office industry in an economic development project; and create a minimum of 100 new jobs at the project facility within 3 years, or a minimum of 500 jobs if the project is an office industry, or a minimum of 200 new jobs if the project is an office industry located within a distressed community as defined in Section 135.530, RSMo. The tax credits become subject to recapture if the company does not expend the minimum investment on or before the first test date established in the program agreement, or create and maintain the minimum number of new jobs on or before the first test date. The first test date is the last day of the closest calendar quarter ending 3 years following bond closing. The tax credits are also subject to recapture if the company eliminates or announces its intention to eliminate all the new jobs at the project within 2 years of the first test date. If subject to recapture, the company shall, within 30 days following written demand from the Board, reimburse the Board in full for the face amount of the tax credits received from the date of execution of the program agreement to the date of such demand. There are no other commitments made as part of the agreement. The BUILD program reduced state taxes by $9,818,000 during fiscal year 2018.

The Enhanced Enterprise Zone is authorized by Sections 135.950-135.973, RSMo and provides tax credits to new or expanding businesses in enhanced enterprise zones. To qualify, a company must create or maintain at least 2 new jobs and make at least $100,000 in eligible investments. In addition, a Notice of Intent must be approved by DED, and the business must submit an annual report. Eligibility for the credit is determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Taxes are reduced by claiming a tax credit against the Missouri income tax liability owed to the state. The tax credits are calculated at 2% of new payroll and 0.5% of new investment. There are no provisions for recapture and no other commitments are made as part of the agreement. The Enhanced Enterprise Zone reduced state taxes by $5,569,000 during fiscal year 2018.

The Business Facility Tax Credit is authorized by Sections 135.100-135.150 and Section 135.258, RSMo and provides to facilitate the expansion of new or existing facilities in Missouri. To qualify, a Notice of Intent must be approved by DED; the facility must create at least 2 new jobs and make $100,000 in eligible investments or pursuant to House Bill 191 (2009), for “headquarters” that commence operations and “headquarters” of certain “employee-owned” businesses that commence or expand operations must create 25 new jobs and make $1,000,000 in new investment. The company must submit an annual report to DED. Taxes are reduced by claiming a tax credit against the Missouri tax liability owed to the state. The tax credits are calculated as $75 to $150 per new job and $75 to $150 for each $100,000 in new investment for up to 10 years. The tax credits for headquarters are calculated as the greater of $400 per new job plus 4% of new investment or $500 per new job plus $500 per each $100,000 in new investment for up to 10 years. The credit may be applied against income tax, insurance premium tax, or insurance company retaliatory tax. This program has sunset as of January 1, 2005 except headquarters that commence or expand operations on or before December 31, 2019 may be eligible for the program. There are no provisions for recapture and no other commitments are made as part of the agreement. The Business Facility Tax Credit reduced state taxes by $6,330,000 during fiscal year 2018.

Note 20 - Tax Abatements (cont.)

The Amateur Sports Ticket Sales Tax Credit is authorized by Section 67.3000, RSMo and provides an incentive to encourage the location of competitively bid amateur sporting events in Missouri. Upon application, applicants must submit predictions on the anticipated economic benefit to the state. Applicants will be evaluated based upon anticipated and verified economic performance. The program is available to one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively. The program provides tax credits equal to the lesser of: $5 per admission ticket sold to the event; or 100% of eligible costs incurred by the applicant. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit and may be taken against income tax, bank tax, insurance premium tax, and other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Amateur Sports Ticket Sales Tax Credit reduced state taxes by $1,276,000 during fiscal year 2018.

The Rebuilding Communities Tax Credit is authorized by Section 135.535, RSMo and provides a tax credit for eligible businesses locating, relocating, or expanding within a distressed community. This program has been replaced by Missouri Works, except for current projects. To qualify, a business must have fewer than 100 full-time employees, 75% of which must be located in the distressed community; be primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design, computer software development or computer programming, which includes Internet, web hosting, and other information technology, wireless, wired or other telecommunications, or a professional firm. The business must submit an annual tax credit application documenting eligible expenditures on the project to DED. Once approved, the tax credit is calculated at 40% or 25% of the qualifying expenditures and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Rebuilding Communities Tax Credit reduced state taxes by $359,000 during fiscal year 2018.

The Development Tax Credit is authorized by Sections 32.100-32.125, RSMo and provides incentives to facilitate a business project in order to create new jobs. This program has been replaced by Missouri Works, except for current projects. Tax credits are issued to approved taxpayers that make an eligible donation to a non-profit corporation. The non-profit leases assets to an approved company. The company must create a specified number of jobs within 2 years and be in a distressed or blighted area. In many instances, the taxpayer that makes the donation is also the company that is creating the economic impact. The donor that makes the contribution must submit a tax credit application to DED. Once approved, taxes are reduced by claiming a tax credit against Missouri tax liability owed to the state. The tax credit is calculated at 50% of the eligible donation and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, other financial institutions tax, or express company tax. No other commitments are made as part of the agreement. DED may recapture tax credits up to the amount issued if the non-profit fails to complete the project or comply with the agreement. The non-profits only and not the donors are subject to the recapture. The Development Tax Credit reduced state taxes by $542,000 during fiscal year 2018.

Note 20 - Tax Abatements (cont.)

Chapter 100 Personal Property Tax Exemption is authorized by Section 144.054 (2), RSMo and provides a state and local sales tax exemption on tangible personal property leased by a company from the City or County. To qualify, cities and counties may apply to DED on behalf of eligible companies for which Chapter 100 bond proceeds are used to purchase tangible personal property, which is leased back to the company. DED may apply discretionary benefit exemption if the benefit contained in a formal DED proposal is accepted by the company. Since DED cannot enact the sales tax exemption on the lease without the underlying Municipality Chapter 100 in place, any inclusion in a formal DED proposal will be coordinated with the Municipality and their economic developer. The proposal must have been accepted by the company prior to any project announcements, no approval or issuance of the bonds may have taken place, and the tangible personal property may not have been purchased prior to the acceptance of the proposal. The project must also be competitive, have comprehensive local incentive participation, have above average wages with benefits, be located in an economically distressed or blighted area, have a positive state fiscal impact, and have an indication that the municipality has offered the local Chapter 100 exemptions. The company receives the exemption on sales tax as the facility, construction materials, and certain tangible personal property may be purchased as exempt by the City or County and then leased back to the company. The company will be responsible for the payment of sales tax on purchases exceeding the maximum accepted in the proposal, ineligible purchases, or the revenue stream generated by lease of ineligible personal property. There are no provisions for recapture and no other commitments are made as part of the agreement. For fiscal year 2018, DED has provided certificates for the exemption of state sales tax related to lease payments of tangible personal property under a Chapter 100 structure for 1 project. The sales tax is applicable to the lease payments made over a period not to exceed 20 years by statute and restricted further by local ordinance. The sales tax exemptions are only applicable if tangible personal property purchases are made within established project time periods, as listed on the certificate. The fiscal year 2018 project certificates total a cumulative amount of state sales tax not to exceed $268,000 over the terms of the respective leases.

Data Center Sales Tax exemption is authorized by Section 144.810, RSMo and incentivizes the location and expansion of data centers in the state by providing an exemption of the sales and use taxes associated with a variety of activities necessary to build a new facility or expand an existing facility. To qualify, companies must create 5 new jobs and $5 million in investment for expanding facilities or create 10 new jobs and $25 million in investment for new facilities within certain time frames. A company is refunded their sales and use taxes for new purchases related to the data center project for the period prior to meeting the threshold for participation and then are exempt for a period of no more than 10 years for expanding facilities or 15 years for a new facility. Taxes may be subject to recapture if the full investment projected is not met or if the jobs created are not maintained, causing the cost/benefit to the State to be negative, or if the company does not meet the minimum thresholds. Taxes will be recaptured up to the amount that creates a positive cost/benefit to the state, or if the company does not meet the minimum thresholds, the full exemptions to date must be repaid. No other commitments are made as part of the agreement. The amount that state taxes were reduced is confidential under Section 32.057, RSMo.

Redevelopment

The Historic Preservation Tax Credit is authorized by Sections 253.545-253.561, RSMo and provides an incentive for the redevelopment of commercial and residential historic structures in the state. Upon application, the eligible property must be listed on the National Register of Historic Places, be certified by the Department of Natural Resources (DNR) as contributing to the historical significance of a certified historic district listed on the National Register, or located within a local historic district that has been certified by the U.S. Department of Interior. The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property. All approved applicants must commence rehabilitation within 2 years of the date of issuance of the letter of approval from DED. The program provides state tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures, which the recipient is able to use to reduce their outstanding tax liability in an amount equal to the value of their tax credit. The credit may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Historic Preservation Tax Credit reduced state taxes by $56,483,000 during fiscal year 2018.

Note 20 - Tax Abatements (cont.)

Brownfield Remediation is authorized by Sections 447.700-447.718, RSMo and provides incentives to businesses or developers to redevelop property contaminated with hazardous waste. To qualify, the property must be abandoned or underutilized for at least 3 years, and contaminated with hazardous substance, the applicant cannot be a responsible party, the project must be accepted into DNR Voluntary Cleanup Program, the project must be endorsed by city or county government, must create at least 10 new jobs or retain 25 jobs, the project must create a positive net state economic benefit, and must demonstrate need for the credits. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits may be issued for up to 100% of eligible costs and expenses for remediating the project property. The tax credit may also include up to 100% of the costs of demolition that are not directly part of the remediation activities. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation. DED will issue 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by DNR. The tax credits may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. The tax credits may be subject to recapture in the event the owner sells the abandoned or underutilized property within a 5 year period after the receipt of remediation tax credits, grants, loans or loan guarantee. Subject to Sections 447.700-447.718, RSMo, the owner shall repay a portion of the tax credits and grant funds provided based on the percentage of the owner's investment for the project to DED's total financial assistance, upon achieving an annual internal rate of return of 25%. The internal rate of return calculation shall be documented by the owner's capital gains tax calculation. Owner investment is equity and debt for the eligible project. At the end of the project, a purchaser who has performed voluntary remediation action certifies to DNR that the goals of the purchaser's voluntary remediation plan have been attained. DNR verifies the remediation plan goals are achieved and issues a certificate that states that the site has been cleaned up to DNR standards pertaining to the property itself and therefore protects both current and future owners of the property. Brownfield Remediation reduced state taxes by $3,160,000 during fiscal year 2018.

Distressed Areas Land Assemblage is authorized by Section 99.1205, RSMo and provides incentives to redevelop blighted areas. This program has sunset and no new applications are being accepted. To qualify, the area must be at least 75 acres; at least 80% of the area must be within a Distressed Area or a federal Qualified Census Tract; the redeveloper must acquire at least 50 acres of the area; the average parcels per acre must be 4 or more; and less than 5% of the acreage for acquisition by the redeveloper under the redevelopment plan shall consist of owner-occupied residences. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits are provided to the redeveloper based on 50% of the acquisition costs, including maintenance costs, and 100% of the interest costs incurred for a period of 5 years after the acquisition of an eligible parcel. The credits may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Any funds generated through the use or sale of the tax credits issued shall be used to redevelop the eligible project area. There are no provisions for recapture and no other commitments are made as part of the agreement. Distressed Areas Land Assemblage reduced state taxes by $68,000 during fiscal year 2018.

Note 21 - Commitments

Contracts

The Department of Conservation had contracts outstanding of $300,000 for construction at June 30, 2018. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Natural Resources had construction contracts outstanding at June 30, 2018 of $54,000. This project is funded through a special revenue fund.

The Department of Transportation had long-term contracts of $697,915,000 outstanding at June 30, 2018. These contracts are paid from capital projects funds with approximately 84% federal reimbursement expected.

Note 21 - Commitments (cont.)

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2018 of $42,314,000. Approximately 29.5% will be paid from the General Fund, 4.7% from special revenue funds, 65.5% from the capital projects funds, and 0.3% will be paid from enterprise funds.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to $10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2018 was $364,000. Payment of principal and interest must be completed by March 2038.

As of June 30, 2018, the University of Missouri had outstanding commitments for the usage and ongoing support of the University Health System's information technology environment totaling $190,170,000. The payments are as follows:

2019	$	24,554,000
2020		25,378,000
2021		26,229,000
2022		27,109,000
2023		28,017,000
2024-2025		58,883,000

Truman State University had approximately $5,721,000 in outstanding commitments for various construction contracts at June 30, 2018.

Southeast Missouri State University had outstanding commitments of approximately $10,050,000 related to construction contracts at June 30, 2018.

Missouri State University had approximately $16,807,000 in outstanding commitments for various construction contracts at June 30, 2018.

University of Central Missouri had approximately $6,968,000 in outstanding commitments related to construction contracts at June 30, 2018.

Northwest Missouri State University had approximately $7,203,000 in outstanding commitments related to various construction contracts at June 30, 2018.

Note 22 - Risk Management and Insurance

The state is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The state assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to state statute, through the State's Legal Expense Fund, which is a component of the General Fund in this report. This insurance covers all state employees.

Note 22 - Risk Management and Insurance (cont'd)

The Workers' Compensation and Legal Expense Fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. Incurred but not reported (IBNR) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The state has not had any insurance settlements exceed the coverage. OA-Risk Management also procures property insurance for approximately 3% of all State buildings, with the remainder uninsured. The buildings are insured through purchased property insurance and through the Property Preservation Fund. Buildings insured through the Property Preservation Fund are backed with bonded debt through the Board of Public Buildings.

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 2%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all state employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 0.75% and 3.25% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self-Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees.

Note 22 - Risk Management and Insurance (cont.)

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2017	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2018
Governmental Activities					
OA Workers Compensation Fund	Workers Comp.	$ 29,767	$ 30,319	$ (31,028)	$ 29,058
OA Legal Expense Fund	Liability	8,222	5,053	(9,593)	3,682
Transportation Self-Insurance Plan	Workers Comp. and Liability	82,576	20,180	(21,312)	81,444
MCHCP	Health Care	42,221	302,935	(299,019)	46,137
MHPML	Health Care	12,300	129,546	(129,346)	12,500
CEIP	Health Care	2,592	17,855	(17,315)	3,132
Total Governmental Activities		$ 177,678	$ 505,888	$ (507,613)	$ 175,953
Business-Type Activities					
PSTIF	Contamination Cleanup	$ 81,868	$ 15,244	$ (13,094)	$ 84,018
Component Units					
University of Missouri System	Workers Comp. and Liability	$ 89,082	$ 220,389	$ (223,625)	$ 85,846
Missouri State University	Health Care, Workers Comp. and Liability	1,807	20,292	(20,675)	1,424
Total Component Units		$ 90,889	$ 240,681	$ (244,300)	$ 87,270

Note 22 - Risk Management and Insurance (cont.)

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2016	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2017
Governmental Activities					
OA Workers Compensation Fund	Workers Comp.	$ 35,633	$ 25,175	$ (31,041)	$ 29,767
OA Legal Expense Fund	Liability	2,250	16,102	(10,130)	8,222
Transportation Self-Insurance Plan	Workers Comp. and Liability	90,646	8,307	(16,377)	82,576
MCHCP	Health Care	41,395	267,726	(266,900)	42,221
MHPML	Health Care	9,800	128,322	(125,822)	12,300
CEIP	Health Care	2,706	17,823	(17,937)	2,592
Total Governmental Activities		$ 182,430	$ 463,455	$ (468,207)	$ 177,678
Business-Type Activities					
PSTIF	Contamination Cleanup	$ 83,235	$ 13,565	$ (14,932)	$ 81,868
Component Units					
University of Missouri System	Workers Comp. and Liability	$ 85,887	$ 218,074	$ (214,879)	$ 89,082
Missouri State University	Health Care, Workers Comp. and Liability	2,680	18,736	(19,609)	1,807
Total Component Units		$ 88,567	$ 236,810	$ (234,488)	$ 90,889

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

Note 23 - Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources (DNR) was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Section 260.371.7, RSMo, states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2018, the State was participating in the cleanup of sixteen Superfund sites. Total pollution remediation obligation for these sites totaled approximately $46.2 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available. The Hazardous Waste Fund is a component of Conservation and Environmental Protection.

The Office of Administration (OA), Division of Facilities Management, Design and Construction, performed soil and groundwater testing and remediation for one State site during fiscal year 2018. The remaining obligation as of June 30, 2018 is $17,000. These costs were based on contractual pricing estimates and are subject to change if the pollution remediation requires more time or material than was estimated.

The Missouri Department of Transportation (MoDOT) is aware of a contaminated site (related to building and grounds) due to a fuel leak. The potential for pollution remediation exists; however, at this time, MoDOT's portion of the costs for the cleanup cannot be determined.

The Department of Public Safety, Office of the Adjutant General, has been named as a potentially responsible party in the Pools Prairie Superfund site in Newton County, Missouri. The site is listed on the National Priorities List (NPL) and is governed by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). At this time, the Department of Public Safety's portion of the costs for the cleanup cannot be determined.

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current fiscal year are as follows:

Governmental Activities	Type of Pollution Remediation	Fiscal Year Remediation Liability 6/30/2017	Current Year Assessments and Estimated Changes	Payments	Fiscal Year Remediation Liability 6/30/2018	Due Within One Year
Hazardous Waste Fund	Superfund Sites	$ 47,431	$ 32	$ (1,241)	$ 46,222	$ 1,783
Facilities Maintenance Reserve Fund	Soil and Groundwater Testing and Remediation	—	17	—	17	—
Total Governmental Activities		$ 47,431	$ 49	$ (1,241)	$ 46,239	$ 1,783

Note 23 - Pollution Remediation and Landfill Closure and Postclosure (cont.)

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2018, the DNR, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be $334,512,000. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

At June 30, 2018, eleven Municipal Solid Waste Landfills (MSWLFs) and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with the DNR Solid Waste Management Law and Regulations. At June 30, 2018, it is expected that $1,492,000 will be paid over the remaining monitoring periods. This is the amount of the assigned fund balance that has been designated on the General Fund balance sheet for forfeited assets.

The University of Missouri System has been working with the Voluntary Cleanup Program at DNR to characterize subsurface contamination on a University owned property. The University received the results of the two-year sampling process in fiscal year 2016. The University is awaiting a determination from DNR. The site is now on the National Regulatory Commission (NRC) license and must be decommissioned. Upon further review of the documents, the University determined that it does not believe that the documents support the decision to add the site to the NRC license. The University made a formal request to remove the site from the NRC license. NRC responded with a request for more information including a dose assessment, which is estimated at a cost of $15,000. If the NRC finds the dose assessment to be unacceptable, then the University will be required to fully decommission the site, including a sampling plan. The cost of a sampling plan to characterize the chemical contamination is estimated at $1,000,000. The University has not commenced any actions requiring the recognition of a liability for this property.

Note 24- Contingencies

Contingent claims liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated. These losses include estimates of claims which have been incurred but not reported, including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Position. Expenditures are recognized as payments are made.

As of June 30, 2018, the amount of contingent liabilities was $48.9 million. Changes in reported liability since June 30, 2017, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2017-2018	$ 71,150	$ 4,368	$ (26,595)	$ 48,923
2016-2017	39,040	59,672	(27,562)	71,150
2015-2016	19,921	35,216	(16,097)	39,040

Note 24- Contingencies (cont.)

Section 287.220.8, RSMo, requires an actuarial study of the Second Injury Fund be made every year to determine solvency of the fund. Figures presented below for current year claims and changes in estimates are based on the 2017 actuarial study. As at June 30, 2018, the amount of liabilities for Second Injury Fund was $2.0 billion. Changes in reported liability since June 30, 2017, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2017-2018	$ 1,840,186	$ 213,633	$ (100,651)	$ 1,953,168
2016-2017	1,732,685	206,662	(99,161)	1,840,186
2015-2016	1,684,732	151,464	(103,511)	1,732,685

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements by the grantor agency for expenditures disallowed under grant agreements. The State believes such disallowances, if any, would be immaterial in the next fiscal year.

Sales and Use Tax Lawsuits:

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. A settlement was reached regarding some claims, filed by multiple taxpayers, related to the Southwestern Bell cases. No current liability remains as of June 30, 2018. Refund claims related to similar cases filed by other companies are still pending verification. Exclusive of interest, which could be substantial, the negative financial impact on the State is estimated at $9.5 million, of which $8.8 million is related to the General Fund.

The Attorney General, on behalf of other state agencies, is involved in litigation for tort claims including wrongful death, motor vehicle accidents, medical malpractice, assault and battery, and deliberate indifference, as well as employment discrimination claims not included in the 2018 liability amount. It is reasonably possible an adverse court decision may incur an estimated loss of $12.7 million.

Tobacco Master Settlement Agreement:

Under the 1998 Tobacco Master Settlement Agreement ("MSA"), Missouri receives annual settlement payments in perpetuity from Participating Manufacturers ("PMs") of tobacco products. Each year on or about April 15th, Missouri receives an annual payment typically between $120 and $140 million. Annual MSA payments are subject to a downward adjustment if the PMs lose more than 2% of their pre-MSA market share to Non-Participating Manufacturers ("NPMs"). Individual states may avoid their share of this "NPM Adjustment" by enacting and diligently enforcing model legislation, which imposes certain escrow obligations on NPMs.

The tobacco manufacturers contest Missouri's enforcement of the model legislation for 2004 and subsequent years, each of which is subject to binding arbitration. Arbitration regarding diligent enforcement for 2004 is ongoing and set for hearing in March 2019. If the panel finds that Missouri was not diligent in 2004, the State will face a downward adjustment on the annual payment following the panel's determination. The ultimate resolution of the 2004 proceeding, the timing of the panel's decision, and the outcome of any subsequent arbitration proceedings between the tobacco manufacturers and Missouri cannot be predicted with any degree of certainty.

Note 24- Contingencies (cont.)

Department of Corrections Settlements:

Hootselle v. Department of Corrections, No. 12AC-CC00518 (Cole County Circuit Court). This lawsuit was filed on August 14, 2012 by several corrections officers alleging that the Missouri Department of Corrections failed to compensate them for pre- and post-shift activities, including passing through security checkpoints and retrieving equipment such as keys and radios. The officers' union was later added as a plaintiff and asserted claims for breach of its collective bargaining agreement. It is reasonably possible an adverse court decision may incur an estimated loss of $45 million.

Natural Resource Settlements:

The Department of Natural Resources works jointly with the United States Fish and Wildlife Service and United States Forest Service to recover damages from parties responsible for causing injuries to natural resources. Funds from these settlements are typically held in the federal treasury in a joint account administered by the United States Department of Interior. Expenditures of these funds may only be by mutual agreement of the Missouri Trustee Council (the Department of Natural Resources, the United States Fish and Wildlife Service and, at times, United States Forest Service) and such funds may only be used to restore, replace, or acquire natural resources similar to those that were injured. As of June 30, 2018, the balance of Missouri-related joint settlement funds in the Department of Interior restoration fund is approximately $49 million.

Department of Health and Senior Services

The Nurse Student Loan Program provides forgivable student loans to eligible Missouri undergraduate, graduate, post-graduate, and doctoral nursing students in exchange for service in underserved communities and facilities in the state. Current annual award levels, based on statute, are a one-time amount of $2,500 for LPN students and $5,000 for professional nursing students. Loans are repaid either through service in an underserved area, or via cash repayment at 9.5% simple interest. For repayment via service, participants provide one year of professional service for each school year a loan is received, up to a maximum of 5 years. The number of loans awarded per year varies based upon available funding, number of previous students anticipating continued funding, and number of eligible new applicants.

The Health Professional Student Loan Program is a competitive state program that awards forgivable loans to students pursuing health care training leading to Missouri licensure. Eligible disciplines are primary care physicians, primary care dentists, and dental hygienists. The amount of funding provided depends upon the student's chosen discipline and educational status. Repayment of loans can be completed either through obtaining employment to earn forgiveness or through cash repayment at 9.5% simple interest. Forgiveness is based upon the number of loans received and is earned at a rate of one year of professional service for each loan received, up to a maximum of 5 years. Qualifying employment is considered as full-time, direct patient care at a facility located in an area of need also referred to as a Health Professional Shortage Area.

The purpose of the Missouri Health Professional State Loan Repayment Program (SLRP) is to improve access to primary care by assisting rural and underserved communities with recruitment and retention of primary care providers. SLRP offers eligible healthcare providers an opportunity to receive up to $50,000 in financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services at an ambulatory public, nonprofit or private nonprofit primary care practice site located in a federally designated Health Professional Shortage Area (HPSA).

The Missouri Nurse Loan Repayment Program (NLRP) offers Registered Nurses (RNs) and Advanced Practice Registered Nurses (APRNs) an opportunity to receive financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services in an area of defined need in the State of Missouri.

Note 24- Contingencies (cont.)

For all types of loan programs, in the event of a default, i.e. the loanee does not complete the service agreement, the loan status changes to repayment. In the event the loanee does not repay according to the terms of their agreement, the Department of Health and Senior Services will work with the Attorney General's Office to try to collect the outstanding receivables. The current total amount of loans outstanding is $6.9 million; the total amount in repayment is $2.8 million. There is no correlation between who will or will not repay their debt once a default has occurred since it is subject to each individual case and the legal remedies pursued. Therefore the amount of loss cannot be reasonably estimated.

Note 25 - Nonexchange Financial Guarantees

The following nonexchange financial guarantees are extended by the Missouri Agricultural and Small Business Development Authority (MASBDA) and the Missouri Department of Agriculture (MDA). The exchange financial guarantees are not recognized as a liability, which indicates that the State will most likely not be required to make a payment related to the nonexchange financial guarantees. As of June 30, 2018, the State extends the following financial guarantees:

Programs	Maximum Guarantee Period	Total Number of Loans Outstanding	Total Dollar Amount of Loans Outstanding (in thousands)	Total Dollar Amount Guaranteed by the State (in thousands)
Missouri Value-Added Loan Guarantee Program	10 Years	4	$ 576	$ 288
Single-Purpose Animal Facilities Loan Guarantee Program	10 Years	5	364	288
Crop and Livestock Loan Guarantee Program	2 Years	20	54	27

Missouri Value-Added Loan Guarantee Program

The Missouri Value-Added Loan Guarantee Program provides up to a 50% first-loss guarantee on loans, of $250,000 or less, made by lenders for the purpose of agricultural business development. The loan guarantee is for a duration of up to 10 years. The program is intended to create new economic activity by creating or retaining jobs. Loans guaranteed by the value-added loan guarantee program can be used to finance agricultural property, which includes land, buildings, structures, improvements, and equipment used for the purpose of processing, manufacturing, marketing, exporting, or adding value to an agricultural product. Loans may also be guaranteed to buy stock in a new generation processing entity that processes an agricultural product. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were three loan defaults under this program in fiscal year 2018. The outstanding balance on judgments for amounts owed to the State totals $28,000.

Single-Purpose Animal Facilities Loan Guarantee Program

The Single-Purpose Animal Facilities Loan Guarantee Program is designed to provide banks and other lenders with a 50% first-loss guarantee on loans of up to $250,000 for up to 10 years. Independent livestock producers may use the loans to finance, refinance or restructure breeding or feeder livestock, earthworms, land, buildings, facilities, equipment, machinery and animal waste systems for producing poultry, swine, beef and dairy cattle, or other livestock. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were no loan defaults under this program in fiscal year 2018.

Note 25- Nonexchange Financial Guarantees (cont.)

Crop and Livestock Loan Guarantee Program

The Crop and Livestock Loan Guarantee Program, authorized in Section 261.027(3), RSMo, is a 50% guarantee on a loan made to a 4-H and Future Farmers of America (FFA) member who borrows money to purchase livestock, input, etc., for their Supervised Agriculture Education (SAE) project. Loans eligible for the program are limited to the purchase of livestock, feed, seed, fertilizer, and other miscellaneous out-of-pocket expenses directly related to the project. In the event of a default, the MDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. As of June 30, 2018, there are five loan defaults under this program. The outstanding balance on judgments for amounts owed to the State totals $2,580.

Note 26 - Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued $258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of $132,910,000 by the State (Series A), $65,685,000 by the County (Series B), and $60,075,000 by the City (Series C). In December 1993, the Authority issued $181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund $101,410,000 and $50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of $121,705,000 by the State (Series A) and $60,180,000 by the County (Series B). In February 1997, the Authority issued $61,285,000 in Series C refunding bonds to advance refund $47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued $116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 to refund $2,845,000 and $113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued $49,585,000 in Series C 2007 refunding bonds to refund $61,285,000 of original principal of the Series C 1997 refunding bonds. In August 2013, the Authority issued $65,195,000 in Series A 2013 refunding bonds to refund $65,385,000 of Series A 2003 bonds and issued $32,560,000 in Series B 2013 refunding bonds to refund $32,180,000 of Series B 2003 bonds.

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

Note 26 - Joint Ventures (cont.)

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2017, is presented below (in thousands of dollars):

Total Assets	$	176,280
Total Deferred Outflows of Resources		686
Total Assets and Deferred Outflows of Resources	$	176,966
Total Liabilities	$	80,743
Total Net Position		96,223
Total Liabilities and Net Position	$	176,966
Total Revenues	$	24,562
Total Expenses		15,888
Net Increase in Net Position	$	8,674

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

Note 27 - Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a major component unit of the State. For the college and universities, except the University of Missouri, the net appreciation/depreciation of the endowments is $3,006,000. Of this amount, $1,612,000 is reported as restricted non-expendable, $1,379,000 is reported as restricted expendable, and $15,000 is reported as unrestricted net position. The University of Missouri reported a net appreciation/depreciation of restricted non-expendable net position in the amount of $96,277,000 which consisted of both realized and unrealized gains and losses on investment. For detailed information on the college and universities, please see the individual financial statements. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.134, RSMo. These policies are entity specific and vary with each institution.

Note 28 - Conduit Debt

As of June 30, 2018, the Missouri Development Finance Board issued $1,637,968,000 in Private Activity Bonds and $2,624,104,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2018, were approximately $382,493,000 and $1,016,018,000 respectively.

The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

Note 28 - Conduit Debt (contl)

The State Environmental Improvement and Energy Resources Authority, a related organization of the State of Missouri, issues Water Pollution Control and Drinking Water Revenue Bonds on behalf of the Department of Natural Resources. The outstanding balance on these bonds as of June 30, 2018, is $579,335,000.

The State of Missouri has no liability for repayment of these revenue bonds beyond the resources provided by related loan programs. The bonds are limited obligations of the State Environmental Improvement and Energy Resources Authority.

Note 29 - Subsequent Events

University of Missouri

On July 27, 2018, MU Health Care signed a non-binding letter of intent to purchase two hospitals, SSM Health St. Mary's - Audrain and SSM Health St. Mary's - Jefferson City, from SSM Health. The proposed closing date would be the later of December 31, 2018 or ten days after all governmental approvals and third party consents for material contract assignments have been received, not to exceed June 30, 2019. The closing of the proposed transaction is conditioned upon the negotiation and execution of a mutually satisfactory definitive agreement and subject to reasonable and customary due diligence.

Missouri Western State University

On August 23, 2018, the University Board of Governors voted to refund $3,765,000 of the outstanding 2008 Auxiliary Revenue bonds. The Auxiliary System Refunding Revenue Bonds Series 2018 mature on October 1, 2029, with an interest rate of 3.53%.

University of Central Missouri

On August 29, 2018, the University issued the following debt: $7,075,000 in Educational Facilities Revenue Bonds, Series 2018A, with interest rates ranging from 3.375% - 5.0% with principal maturities continuing until October 1, 2033 and $3,670,000 in Educational Facilities Revenue Bonds, Series 2018 B, with interest rates ranging from 3.25% - 4.0% with principal maturities continuing until October 1, 2034.

Missouri State University

On October 19, 2018, the Board of Governors approved purchase and sale agreements for certain buildings in the area commonly known as Brick City located in Springfield, Missouri, for a purchase price of $17,700,000 with a closing scheduled for January 23, 2019. The Board of Governors also approved the declaration of official intent towards the issuance of educational facilities revenue bonds to purchase these buildings.

Missouri Development Finance Board

In August 2018, the Board approved a commitment to make a loan in an amount not to exceed $6.1 million, to Missouri State University (MSU) to support a portion of the construction costs of a parking garage necessary for an expansion of the Jordan Valley Innovation Center (JVIC). If originated, the principal of the loan will be amortized over the term of the loan, not to exceed 20 years from the date of closing, with annual payments of principal and interest to correspond with special assessments of tax from a Transportation Development District formed by the Board. The Board will also require a first mortgage on the parking garage and an assignment of all rents and revenues of the parking garage. MSU must own and control the parking garage for 20 years and, along with the City of Springfield and property developer, each must covenant not to build or offer alternate parking unless the parking garage is regularly and routinely full.

Note 29 - Subsequent Events (cont.)

Retirement Systems

The MOSERS Board approved the reduction of their assumed rate of return (ARR) on investments from 7.50% to 7.25%, effective June 30, 2018. This change includes the intention to further reduce the ARR to 7.10%, effective June 30, 2019, and then to 6.95%, effective June 30, 2020. The Board approved utilizing a 5-year closed asset smoothing method with a 7-year transition period for previous losses. The Board also approved resetting the amortization period for the unfunded liability from 26 years to a layered 30-year closed period.

Department of Corrections Settlements

The lawsuit Hootselle v. Department of Corrections was filed on August 14, 2012 by several corrections officers alleging that the Missouri Department of Corrections failed to compensate them for pre- and post-shift activities. The officers' union was later added as a plaintiff and asserted claims for breach of its collective bargaining agreement. Following a jury trial on the plaintiffs' breach of contract claims in August 2018, the court entered judgment against the State of $113,715,000. The State filed a notice of appeal on October 26, 2018. Appellate briefs have not yet been submitted and oral argument have not been scheduled.

Required Supplementary Information (RSI) *includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, Schedule of State Contributions, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of the Collective Net OPEB Liability, and the Notes to RSI on Budgetary Reporting.*

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 1,359,424	$ 1,359,424	$ 1,359,424	$ —
Resources (Inflows):				
Taxes:				
Sales and Use	2,238,812	2,201,450	2,197,029	(4,421)
Individual Income	7,875,256	7,743,833	7,728,281	(15,552)
Corporate Income	468,220	460,407	459,482	(925)
County Foreign Insurance	315,838	310,568	309,944	(624)
Beer	7,579	7,453	7,437	(16)
Liquor	25,565	25,138	25,088	(50)
Cigarette	—	—	—	—
Corporation Franchise	2,283	2,245	2,240	(5)
Reimbursement/Miscellaneous	177,763	174,795	174,445	(350)
Total Taxes	11,111,316	10,925,889	10,903,946	(21,943)
Licenses, Fees, and Permits	95,248	93,667	93,431	(236)
Sales	1,167	1,152	1,125	(27)
Leases and Rentals	13	13	13	—
Services	529,305	529,119	481,397	(47,722)
Contributions and Intergovernmental	10,282,795	10,254,642	9,460,028	(794,614)
Interest	24,003	23,606	23,540	(66)
Penalties and Unclaimed Property	16,660	16,497	15,841	(656)
Cost Reimbursement/Miscellaneous	1,186,924	1,184,546	1,088,122	(96,424)
Transfers In	3,600,852	3,689,436	2,876,110	(813,326)
Total Resources (Inflows)	26,848,283	26,718,567	24,943,553	(1,775,014)
Amount Available for Appropriation	28,207,707	28,077,991	26,302,977	(1,775,014)
Charges to Appropriations (Outflows):				
Current:				
General Government	2,456,907	2,411,195	2,052,038	359,157
Education	4,443,828	4,419,236	4,220,818	198,418
Natural and Economic Resources	395,500	403,018	211,735	191,283
Transportation and Law Enforcement	500,892	465,281	288,148	177,133
Human Services	13,593,862	14,440,030	13,031,823	1,408,207
Debt Service	124,514	122,152	105,921	16,231
Transfers Out	5,386,822	5,477,724	4,649,037	828,687
Total Charges to Appropriations	26,902,325	27,738,636	24,559,520	3,179,116
Ending Budgetary Fund Balance	$ 1,305,382	$ 339,355	$ 1,743,457	$ 1,404,102
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(1,085,932)	
Investments at Fair Value			1,096,486	
Receivables, Net			2,311,020	
Due from Other Funds			—	
Due from Component Units			—	
Inventories			22,990	
Advance to Component Units			—	
Accounts Payable			(1,233,795)	
Accrued Payroll			(59,100)	
Due to Other Funds			(4,988)	
Unearned Revenue			(62,030)	
Escheat/Unclaimed Property			(112,464)	
Deferred Inflows of Resources			(1,096,787)	
Fund Balance - GAAP Basis			$ 1,518,857	

Public Education				Conservation and Environmental Protection			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
$ 160,191	$ 160,191	$ 160,191	$ —	$ 475,208	$ 475,208	$ 475,208	$ —
1,602,542	1,602,542	895,569	(706,973)	268,944	268,944	215,229	(53,715)
10,420	10,420	5,823	(4,597)	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
103,913	103,913	58,070	(45,843)	—	—	—	—
—	—	—	—	—	—	—	—
593,938	593,938	331,918	(262,020)	709	709	567	(142)
2,310,813	2,310,813	1,291,380	(1,019,433)	269,653	269,653	215,796	(53,857)
2,627	2,627	1,468	(1,159)	107,179	107,179	85,772	(21,407)
—	—	—	—	9,518	9,518	7,617	(1,901)
—	—	—	—	91	91	73	(18)
—	—	—	—	2	—	2	2
129,312	129,312	72,265	(57,047)	109,729	109,729	87,813	(21,916)
4,889	4,889	2,732	(2,157)	13,117	13,117	10,497	(2,620)
1,723	1,723	963	(760)	1,013	1,013	811	(202)
155,430	155,430	86,861	(68,569)	136,922	136,922	109,575	(27,347)
1,754,629	1,757,954	1,716,529	(41,425)	2,108	2,116	2,113	(3)
4,359,423	4,362,748	3,172,198	(1,190,550)	649,332	649,338	520,069	(129,269)
4,519,614	4,522,939	3,332,389	(1,190,550)	1,124,540	1,124,546	995,277	(129,269)
1,107	1,103	487	616	3,843	3,906	2,863	1,043
2,816,326	2,813,160	2,735,657	77,503	—	—	—	—
16,180	16,180	5,716	10,464	997,290	994,573	399,697	594,876
375	375	136	239	997	997	743	254
16,059	15,822	15,275	547	711	711	673	38
—	—	—	—	—	—	—	—
438,520	444,538	428,120	16,418	56,114	57,169	51,552	5,617
3,288,567	3,291,178	3,185,391	105,787	1,058,955	1,057,356	455,528	601,828
$ 1,231,047	$ 1,231,761	$ 146,998	$ (1,084,763)	$ 65,585	$ 67,190	$ 539,749	$ 472,559
		(85,160)				(358,800)	
		85,999				355,983	
		163,547				1,375,304	
		27,950				—	
		—				250	
		123				380	
		—				267	
		(63)				(12,588)	
		(191)				(4,980)	
		(14)				(551)	
		—				(157)	
		—				—	
		(57,102)				(24,263)	
		$ 282,087				$ 1,870,594	

Budgetary Presentation:

A Budgetary Comparison Schedule is presented as Required Supplementary Information for the State's General Fund and Major Special Revenue Funds. Revenues and expenditures are reported on a budgetary basis where actual revenues are recognized when cash is received, and actual expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2018, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at http://oa.mo.gov/accounting/reports/annual-reports/appropriation-activity-reports. The original budget expenditures and transfers are for what was originally appropriated for each fund. The final budget expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any reappropriations to the next fiscal year.

Once a year, the Office of Administration-Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the final budget column for the General Fund and is very comparable to actual revenue resulting in a small negative variance on this Schedule.

In accordance with State statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between budgeted and actual expenditures on the budgetary schedule will always be positive.

For budget purposes, interfund activity is not eliminated. A summary of interfund eliminations at June 30, 2018, is shown below (in thousands):

	Final Budget Transfer		Actual Transfer	
	In	Out	In	Out
GENERAL FUND	$ 3,260,520	$ (3,260,520)	$ 2,556,861	$ (2,556,861)
SPECIAL REVENUE FUNDS				
Public Education	405,981	(405,981)	390,031	(390,031)
TOTAL	$ 3,666,501	$ (3,666,501)	$ 2,946,892	$ (2,946,892)

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEARS 2015-2018
(In Thousands of Dollars)

	Judicial Plan*			
	2018**	2017**	2016**	2015**
Total Pension Liability				
Service Cost	$ 12,946	$ 10,932	$ 10,614	$ 8,990
Interest on the Total Pension Liability	40,617	37,755	36,162	34,014
Difference between Expected and Actual Experience	(10,687)	(5,037)	5,103	13,361
Changes in Assumptions	7,906	53,991	—	—
Benefit Payments, including member refunds	(33,985)	(32,989)	(31,246)	(29,407)
Disability Premiums	—	—	—	—
Transfers to Other Retirement Systems	—	—	—	—
Net Change in Total Pension Liability	16,797	64,652	20,633	26,958
Total Pension Liability - Beginning	547,621	482,969	462,336	435,378
Total Pension Liability - Ending (a)	564,418	547,621	482,969	462,336
Plan Fiduciary Net Position				
Contributions - Employer	34,247	33,642	32,696	29,265
Contributions - Employee	787	661	488	295
Pension Plan Net Investment Income	4,680	28	(3,610)	21,395
Benefit Payments, including member refunds	(33,985)	(32,989)	(31,246)	(29,407)
Disability Premiums	—	—	—	—
Pension Plan Administrative Expense	(150)	(137)	(123)	(106)
Net Transfers	—	—	—	—
Other	—	—	—	—
Net Change in Plan Fiduciary Net Position	5,579	1,205	(1,795)	21,442
Plan Fiduciary Net Position - Beginning*	132,056	130,851	132,646	111,204
Plan Fiduciary Net Position - Ending (b)	137,635	132,056	130,851	132,646
Net Pension Liability - Ending (a) - (b)	$ 426,783	$ 415,565	$ 352,118	$ 329,690
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	24.39%	24.11%	27.09%	28.69%
Covered Payroll	$ 58,592	$ 57,421	$ 55,656	$ 49,588
Net Pension Liability as a Percentage of Covered Payroll	728.40%	723.72%	632.66%	664.86%

*After post-valuation adjustments.

**Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System				University of Missouri Retirement System			
2018**	2017**	2016**	2015**	2018**	2017**	2016**	2015**
$ 45,713	$ 45,441	$ 45,358	$ 44,740	$ 63,624	$ 66,269	$ 68,328	$ 70,574
283,569	280,432	275,285	270,526	305,781	296,885	288,438	275,762
(37,287)	(39,810)	(13,324)	(17,614)	11,704	(22,741)	(38,227)	13,226
—	—	—	—	257,616	—	—	—
(246,939)	(236,687)	(237,013)	(227,977)	(233,083)	(211,036)	(203,300)	(182,488)
(1,620)	(1,568)	(1,555)	(1,532)	—	—	—	—
(2,725)	(1,921)	(3,147)	(1,876)	—	—	—	—
40,711	45,887	65,604	66,267	405,642	129,377	115,239	177,074
3,761,733	3,715,846	3,650,242	3,583,975	4,008,189	3,878,812	3,763,573	3,586,499
3,802,444	3,761,733	3,715,846	3,650,242	4,413,831	4,008,189	3,878,812	3,763,573
206,563	199,609	200,639	183,354	92,200	96,631	99,454	103,895
4,892	3,483	3,294	2,260	15,299	15,218	14,976	14,486
220,302	21,432	92,646	319,446	322,297	364,486	6,646	36,412
(246,939)	(236,687)	(237,013)	(227,977)	(233,083)	(211,036)	(203,300)	(182,488)
(1,620)	(1,568)	(1,555)	(1,532)	—	—	—	—
(4,516)	(4,370)	(4,067)	(3,736)	—	—	—	—
(981)	808	(2,033)	(92)	—	—	—	—
—	—	—	—	—	—	—	(2,150)
177,701	(17,293)	51,911	271,723	196,713	265,299	(82,224)	(29,845)
1,992,074	2,009,367	1,957,456	1,685,733	3,485,925	3,220,626	3,302,850	3,332,695
2,169,775	1,992,074	2,009,367	1,957,456	3,682,638	3,485,925	3,220,626	3,302,850
$1,632,669	$1,769,659	$1,706,479	$1,692,786	$ 731,193	$ 522,264	$ 658,186	$ 460,723
57.06%	52.96%	54.08%	53.63%	83.43%	86.97%	83.03%	87.76%
$ 356,515	$ 344,635	$ 342,265	$ 336,591	$1,146,836	$1,144,412	$1,129,784	$1,109,431
457.95%	513.49%	498.58%	502.92%	63.76%	45.64%	58.26%	41.53%

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FISCAL YEARS 2015-2018
(In Thousands of Dollars)

	2018*	2017*	2016*	2015*
Missouri State Employees' Plan				
State's proportion of the net pension liability	82.19%	82.21%	82.26%	82.45%
State's proportionate share of the net pension liability	$ 4,279,391	$ 3,816,328	$ 2,641,347	$ 1,944,098
State's covered payroll	$ 1,617,463	$ 1,593,034	$ 1,593,238	$ 1,613,263
State's proportionate share of the net pension liability as a percentage of its covered payroll	264.57%	239.56%	165.78%	120.51%
Plan fiduciary net position as a percentage of the total pension liability	60.41%	63.60%	72.62%	79.49%
Judicial Plan				
State's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	$ 426,783	$ 415,565	$ 352,118	$ 329,690
State's covered payroll	$ 58,592	$ 57,421	$ 55,656	$ 49,588
State's proportionate share of the net pension liability as a percentage of its covered payroll	728.40%	723.72%	632.66%	664.86%
Plan fiduciary net position as a percentage of the total pension liability	24.39%	24.11%	27.09%	28.69%
Missouri Department of Transportation and Highway Patrol Employees' Retirement System				
State's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	$ 1,632,669	$ 1,769,659	$ 1,706,479	$ 1,692,786
State's covered payroll	$ 356,515	$ 344,635	$ 342,265	$ 336,591
State's proportionate share of the net pension liability as a percentage of its covered payroll	457.95%	513.49%	498.58%	502.92%
Plan fiduciary net position as a percentage of the total pension liability	57.06%	52.96%	54.08%	53.63%
Missouri State Employees' Plan - Component Units				
Component Unit's proportion of the net pension liability	17.44%	17.41%	17.38%	17.19%
Component Unit's proportionate share of the net pension liability	$ 908,000	$ 808,175	$ 557,955	$ 405,189
Component Unit's covered payroll	$ 343,472	$ 337,401	$ 336,571	$ 325,490
Component Unit's proportionate share of the net pension liability as a percentage of its covered payroll	264.36%	239.53%	165.78%	124.49%
Plan fiduciary net position as a percentage of the total pension liability	60.41%	63.60%	72.62%	79.49%
University of Missouri Retirement System				
University's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%
University's proportionate share of the net pension liability	$ 731,193	$ 522,264	$ 658,186	$ 460,723
University's covered payroll	$ 1,146,836	$ 1,144,412	$ 1,129,784	$ 1,109,431
University's proportionate share of the net pension liability as a percentage of its covered payroll	63.76%	45.64%	58.26%	41.53%
Plan fiduciary net position as a percentage of the total pension liability	83.43%	86.97%	83.03%	87.76%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF STATE CONTRIBUTIONS
PENSION
FISCAL YEARS 2014-2018
(In Thousands of Dollars)

	2018	2017*	2016	2015	2014
Missouri State Employees' Plan					
Required Contributions	$ 313,167	$ 274,510	$ 270,198	$ 270,220	$ 269,106
Contributions in relation to the required contribution	$ 313,167	$ 274,510	$ 270,198	$ 270,220	$ 269,106
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
State's covered payroll	$ 1,610,149	$ 1,617,463	$ 1,593.034	$ 1,593.238	$ 1,613.263
Contributions as a percentage of covered payroll	19.45%	16.97%	16.96%	16.96%	16.68%
Judicial Plan					
Required Contributions	$ 36,895	$ 32,671	$ 33,642	$ 32,696	$ 29,265
Contributions in relation to the required contribution	$ 36,895	$ 34,247	$ 33,642	$ 32,696	$ 29,265
Contribution deficiency (excess)	$ —	$ (1,576)	$ —	$ —	$ —
State's covered payroll	$ 59,404	$ 58,592	$ 57,421	$ 55,656	$ 49,588
Contributions as a percentage of covered payroll	62.11%	58.45%	58.59%	58.70%	59.02%
Missouri Department of Transportation and Highway Patrol Employees' Retirement System					
Required Contributions	$ 204,955	$ 206,563	$ 199,609	$ 200,639	$ 183,354
Contributions in relation to the required contribution	$ 204,955	$ 206,563	$ 199,609	$ 200,639	$ 183,354
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
State's covered payroll	$ 353,751	$ 356,515	$ 344,635	$ 342,265	$ 336,591
Contributions as a percentage of covered payroll	58.00%	58.00%	58.00%	58.62%	54.44%
Missouri State Employees' Plan - Component Units					
Required Contributions	$ 63,533	$ 58,246	$ 57,219	$ 57,081	$ 56,087
Contributions in relation to the required contribution	$ 63,533	$ 58,246	$ 57,219	$ 57,081	$ 56,087
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
Component Unit's covered payroll	$ 326,631	$ 343,472	$ 337,401	$ 336,571	$ 325,490
Contributions as a percentage of covered payroll	19.45%	16.96%	16.96%	16.96%	17.23%
University of Missouri Retirement System					
Required Contributions	$ 92,200	$ 96,631	$ 99,454	$ 103,895	$ 113,688
Contributions in relation to the required contribution	$ 92,200	$ 96,631	$ 99,454	$ 103,895	$ 113,688
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —
University's covered payroll	$ 1,146,836	$ 1,144,412	$ 1,129,784	$ 1,109,431	$ 1,078,347
Contributions as a percentage of covered payroll	8.04%	8.44%	8.80%	9.36%	10.54%

*After post-valuation adjustments.

Note: Schedule revised to show by most recent fiscal year end rather than the measurement date.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedule:

Changes of benefit terms. Senate Bill 62 (SB 62), which contained changes to the benefit structure for Missouri State Employees' MSEP 2011 Plan and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System Year 2000 Plan-2011 Tier, was passed by the 2017 legislature (effective January 1, 2018). The provisions of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL for the MSEP 2011 Plan of $1.6 million. There are no changes to benefit terms in the plans for the year ended June 30, 2017.

Changes of assumptions.

For MOSERS: The board reduced the investment return assumption used in the June 30, 2017 valuation to 7.5%.
For MPERS: No changes in assumptions.
For MU: The board reduced the discount rate used in the October 1, 2017 valuation to 7.20%.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FISCAL YEAR 2018
(In Thousands of Dollars)

	Missouri Department of Transportation and Highway Patrol Medical and Life Insurance Plan*	Conservation Employees' Benefits Plan*
	2018*	2018*
Total OPEB Liability		
Service Cost	$ 49,483	$ 3,109
Interest	35,941	4,975
Changes of Benefit Terms	—	—
Differences Between Expected and Actual Experience	—	—
Changes of Assumptions or Other Inputs	(165,036)	(7,665)
Benefit Payments	(21,185)	(3,006)
Net Change in Total OPEB Liability	(100,797)	(2,587)
Total OPEB Liability - Beginning	1,222,196	137,344
Total OPEB Liability - Ending (a)	$ 1,121,399	$ 134,757
Covered-Employee Payroll	$ 355,663	$ 62,235
Total OPEB Liability as a Percentage of Covered-Employee Payroll	315.30%	216.53%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except the MSHP and MoDOT Medical and LIfe Insurance Plan which is based on a measurement date of July 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FISCAL YEAR 2018
(In Thousands of Dollars)

	University of Missouri OPEB Plan*	
	2018	
Total OPEB Liability		
Service Cost	$	4,991
Interest on the Total OPEB Liability		17,434
Changes in Assumptions		(18,998)
Benefit Payments, including member refunds		(22,828)
Net Change in Total Pension Liability		(19,401)
Total OPEB Liability - Beginning		498,407
Total OPEB Liability - Ending (a)		479,006
Plan Fiduciary Net Position		
Contributions - Employer		18,590
Contributions - Employee		16,480
Net Investment Income		790
Benefit Payments, including refunds of employee contributions		(35,031)
Other		(172)
Net Change in Plan Fiduciary Net Position		657
Plan Fiduciary Net Position - Beginning*		36,144
Plan Fiduciary Net Position - Ending (b)		36,801
Net OPEB Liability - Ending (a) - (b)	$	442,205
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		7.68%
Covered-Employee Payroll	$	721,517
Net OPEB Liability as a Percentage of Covered-Employee Payroll		61.29%

*Based on a measurement date of June 30, 2018.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
FISCAL YEARS 2018
(In Thousands of Dollars)

		2018*
Missouri Consolidated Health Care Plan		
State's proportion of the collective net OPEB liability		99.56%
State's proportionate share of the collective net OPEB liability	$	1,756,787
State's covered payroll	$	1,480,735
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll		118.64%
Plan fiduciary net position as a percentage of the total OPEB liability		6.64%
Missouri Consolidated Health Care Plan - CU		
Component Unit's proportion of the collective net OPEB liability		0.03%
Component Unit's proportionate share of the collective net OPEB liability	$	484
Component Unit's covered payroll	$	176
Component Unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll		275.00%
Plan fiduciary net position as a percentage of the total OPEB liability		6.64%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedules:

Neither MHPML or CEIP have assets that are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Changes of benefit terms. There were no changes in benefit terms.

Changes of assumptions.
For MCHCP: The discount rate changed from 5.70% to 5.71%, in the June 30, 2017 valuation.
For CEIP: The discount rate went from 3.58% to 3.87% in the June 30, 2017 valuation.
MHPML: None
For MU: The 75% pre-65 medical participation assumption was split to 90% in the Retiree Health PPO Plan and 10% in the Healthy Savings Plan. The 90% post-65 participation assumption was split to 33% in the Base Plan and 67% in the Buy-Up Plan at the January 1, 2017 effective date. Also, in the interest rate used for the valuations was changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

Supplementary Information *includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements and Schedules for the General Fund and all Non-Major Funds.*

STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON STATEMENT
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Missouri Road Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	$ 712,394	$ 712,394	$ 712,394	$ —
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	181,112	181,112	177,892	(3,220)
Fuel	112	112	124	12
Total Taxes	181,224	181,224	178,016	(3,208)
Licenses, Fees, and Permits	95,156	95,156	105,181	10,025
Contributions and Intergovernmental	946,948	947,262	935,017	(12,245)
Interest	5,038	5,038	9,070	4,032
Cost Reimbursement/Miscellaneous	96,380	96,380	83,371	(13,009)
Transfers In	510,000	510,000	461,282	(48,718)
Total Resources (Inflows)	1,834,746	1,835,060	1,771,937	(63,123)
Amount Available for Appropriation	2,547,140	2,547,454	2,484,331	(63,123)
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law Enforcement	841,418	869,438	827,949	41,489
Capital Outlay				
Transportation and Law Enforcement	855,863	884,365	842,163	42,202
Debt Service	114,036	117,833	112,210	5,623
Total Charges to Appropriations	1,811,317	1,871,636	1,782,322	89,314
Ending Budgetary Fund Balance	$ 735,823	$ 675,818	$ 702,009	$ 26,191
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(423,685)	
Investments at Fair Value			418,095	
Receivables, Net			124,609	
Inventories			33,738	
Accounts Payable			(107,010)	
Accrued Payroll			(17,213)	
Due to Other Funds			(227)	
Unearned Revenue			(4,306)	
Deferred Inflows of Resources			(22,532)	
Fund Balance - GAAP Basis			$ 703,478	

*The **Combining and Individual** Fund Statements and Schedules*

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the "major fund" classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison schedule is provided for all non-major governmental funds with the exception of capital projects funds.

STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2018
(In Thousands of Dollars)

	General Fund		Totals
	General	Federal	June 30, 2018
ASSETS			
Cash and Cash Equivalents	$ 525,977	$ 131,548	$ 657,525
Investments	871,882	224,604	1,096,486
Accounts Receivable, Net	1,375,881	903,036	2,278,917
Interest Receivable	6,110	39	6,149
Inventories	21,984	1,006	22,990
Loans Receivable	25,954	—	25,954
Total Assets	$ 2,827,788	$ 1,260,233	$ 4,088,021
LIABILITIES			
Accounts Payable	$ 585,382	$ 648,413	$ 1,233,795
Accrued Payroll	47,059	12,041	59,100
Due to Other Funds	2,137	2,851	4,988
Unearned Revenue	1,271	60,759	62,030
Escheat/Unclaimed Property	112,464	—	112,464
Total Liabilities	748,313	724,064	1,472,377
DEFERRED INFLOWS OF RESOURCES	865,104	231,683	1,096,787
FUND BALANCES			
Nonspendable	47,938	1,006	48,944
Restricted	4,433	303,480	307,913
Committed	617,661	—	617,661
Assigned	86,705	—	86,705
Unassigned	457,634	—	457,634
Total Fund Balances	1,214,371	304,486	1,518,857
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,827,788	$ 1,260,233	$ 4,088,021

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	General Fund			Totals
	General	Federal	Eliminations	June 30, 2018
Revenues:				
Taxes	$ 9,333,308	$ —	$ —	$ 9,333,308
Licenses, Fees, and Permits	92,437	478	—	92,915
Sales	516	15	—	531
Leases and Rentals	12	—	—	12
Services	7,991	139,860	—	147,851
Contributions and Intergovernmental	1,641,701	8,617,587	—	10,259,288
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	(2,206)	(775)	—	(2,981)
Interest	23,162	196	—	23,358
Penalties and Unclaimed Properties	48,606	6,282	—	54,888
Cost Reimbursement/Miscellaneous	121,189	183,578	—	304,767
Total Revenues	11,266,716	8,947,221	—	20,213,937
Expenditures:				
Current:				
General Government	629,130	25,719	—	654,849
Education	3,253,760	1,008,916	—	4,262,676
Natural and Economic Resources	57,936	211,054	—	268,990
Transportation and Law Enforcement	86,733	212,262	—	298,995
Human Services	5,820,276	7,473,076	—	13,293,352
Debt Service:				
Principal	76,938	672	—	77,610
Interest	29,367	40	—	29,407
Bond Issuance Cost	356	—	—	356
Total Expenditures	9,954,496	8,931,739	—	18,886,235
Excess Revenues (Expenditures)	1,312,220	15,482	—	1,327,702
Other Financing Sources (Uses):				
Issuance of Notes/Capital Leases	6,080	772	—	6,852
Sale of Capital Assets	568	364	—	932
Transfers In	242,060	142,361	(330,825)	53,596
Transfers Out	(1,441,973)	(192,409)	330,825	(1,303,557)
Total Other Financing Sources (Uses)	(1,193,265)	(48,912)	—	(1,242,177)
Net Change in Fund Balances	118,955	(33,430)	—	85,525
Fund Balances - Beginning	1,095,485	338,768	—	1,434,253
Increase (Decrease) in Reserve for Inventory	(69)	(852)	—	(921)
Fund Balances - Ending	$ 1,214,371	$ 304,486	$ —	$ 1,518,857

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2018
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2018
ASSETS					
Cash and Cash Equivalents	$ 155,287	$ 36,141	$ 49,230	$ 998	$ 241,656
Investments	238,834	65,961	107,175	56,638	468,608
Accounts Receivable, Net	166,450	17,395	—	—	183,845
Interest Receivable	626	311	472	1	1,410
Due from Other Funds	630	—	—	—	630
Inventories	3,674	—	—	—	3,674
Loans Receivable	3,498	—	—	—	3,498
Total Assets	$ 568,999	$ 119,808	$ 156,877	$ 57,637	$ 903,321
LIABILITIES					
Accounts Payable	$ 68,551	$ —	$ 11,060	$ —	$ 79,611
Accrued Payroll	11,931	—	—	—	11,931
Due to Other Funds	1,189	—	—	—	1,189
Total Liabilities	81,671	—	11,060	—	92,731
DEFERRED INFLOWS OF RESOURCES	7,372	59	173	1	7,605
FUND BALANCES					
Nonspendable	3,674	—	—	57,524	61,198
Restricted	181,898	119,749	145,644	—	447,291
Committed	39,120	—	—	—	39,120
Assigned	255,264	—	—	112	255,376
Total Fund Balances	479,956	119,749	145,644	57,636	802,985
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 568,999	$ 119,808	$ 156,877	$ 57,637	$ 903,321

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2018
Revenues:					
Taxes	$ 949,105	$ 184,928	$ —	$ —	$ 1,134,033
Licenses, Fees, and Permits	392,060	—	—	—	392,060
Sales	1,397	—	—	—	1,397
Leases and Rentals	2	—	—	—	2
Services	800	—	—	—	800
Contributions and Intergovernmental	355,966	4,709	—	5	360,680
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	(894)	(703)	(472)	(166)	(2,235)
Interest	3,350	2,228	2,479	6	8,063
Penalties and Unclaimed Properties	11,782	—	—	2,162	13,944
Cost Reimbursement/Miscellaneous	65,422	—	—	—	65,422
Total Revenues	1,778,990	191,162	2,007	2,007	1,974,166
Expenditures:					
Current:					
General Government	234,929	—	17,341	—	252,270
Education	1,536	—	55,349	—	56,885
Natural and Economic Resources	246,342	—	1,231	—	247,573
Transportation and Law Enforcement	338,744	1	9,135	—	347,880
Human Services	688,963	—	16,245	2	705,210
Capital Outlay:					
General Government	—	—	1,320	—	1,320
Education	—	—	106	—	106
Natural and Economic Resources	—	—	3,549	—	3,549
Transportation and Law Enforcement	—	—	276	—	276
Human Services	—	—	64,467	—	64,467
Debt Service:					
Principal	648	175,305	—	—	175,953
Interest	213	75,160	—	—	75,373
Underwriter's Discount	—	—	985	—	985
Total Expenditures	1,511,375	250,466	170,004	2	1,931,847
Excess Revenues (Expenditures)	267,615	(59,304)	(167,997)	2,005	42,319
Other Financing Sources (Uses):					
Issuance of Notes/Capital Leases	82	—	—	—	82
Issuance of Bonds	—	—	124,905	—	124,905
Bond Premium	—	—	9,751	—	9,751
Proceeds from Sale of Capital Assets	7,976	—	—	—	7,976
Transfers In	254,132	53,864	231	—	308,227
Transfers Out	(504,446)	—	—	—	(504,446)
Total Other Financing Sources (Uses)	(242,256)	53,864	134,887	—	(53,505)
Net Change in Fund Balances	25,359	(5,440)	(33,110)	2,005	(11,186)
Fund Balances - Beginning	453,932	125,189	178,754	55,631	813,506
Increase (Decrease) in Reserve for Inventory	665	—	—	—	665
Fund Balances - Ending	$ 479,956	$ 119,749	$ 145,644	$ 57,636	$ 802,985

*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration - Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance - Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair - Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance - Provides financial, health, and other services to qualifying individuals.

Transportation and Law Enforcement - Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Unemployment and Workers' Compensation - Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other - Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2018
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2018
ASSETS								
Cash and Cash Equivalents	$ 19,150	$ 14,311	$ 3,802	$ 20,866	$ 48,328	$ 15,914	$ 32,916	$ 155,287
Investments	33,342	24,917	7,803	36,312	51,581	27,694	57,185	238,834
Accounts Receivable, Net	—	1,269	111	4,942	132,929	24,738	2,461	166,450
Interest Receivable	—	52	20	113	165	89	187	626
Due from Other Funds	—	—	—	—	—	630	—	630
Inventories	26	8	13	29	3,369	—	229	3,674
Loans Receivable	—	—	2,040	—	1,458	—	—	3,498
Total Assets	$ 52,518	$ 40,557	$ 13,789	$ 62,262	$ 237,830	$ 69,065	$ 92,978	$ 568,999
LIABILITIES								
Accounts Payable	$ 194	$ 1,426	$ 115	$ 42,819	$ 2,565	$ 18,326	$ 3,106	$ 68,551
Accrued Payroll	238	421	271	325	7,620	462	2,594	11,931
Due to Other Funds	19	508	16	80	366	95	105	1,189
Total Liabilities	451	2,355	402	43,224	10,551	18,883	5,805	81,671
DEFERRED INFLOWS OF RESOURCES	—	63	12	448	5,130	593	1,126	7,372
FUND BALANCES								
Nonspendable	26	8	13	29	3,369	—	229	3,674
Restricted	—	23,430	3,829	5,934	37,597	49,589	61,519	181,898
Committed	16,554	7,591	549	7,417	835	—	6,174	39,120
Assigned	35,487	7,110	8,984	5,210	180,348	—	18,125	255,264
Total Fund Balances	52,067	38,139	13,375	18,590	222,149	49,589	86,047	479,956
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 52,518	$ 40,557	$ 13,789	$ 62,262	$ 237,830	$ 69,065	$ 92,978	$ 568,999

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2018
Revenues:								
Taxes	$ 112	$ —	$ 4,577	$ 102,834	$ 722,831	$ 118,599	$ 152	$ 949,105
Licenses, Fees, and Permits	14,399	30,125	11,585	18,437	211,012	—	106,502	392,060
Sales	—	—	6	1,051	—	—	340	1,397
Leases and Rentals	—	—	—	—	—	—	2	2
Services	—	793	—	—	—	—	7	800
Contributions and Intergovernmental	—	764	146	351,238	4	—	3,814	355,966
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	(83)	(84)	(120)	(111)	(271)	(71)	(154)	(894)
Interest	—	261	208	524	965	437	955	3,350
Penalties and Unclaimed Properties	440	8,913	—	36	600	—	1,793	11,782
Cost Reimbursement/ Miscellaneous	175	1,397	98	37,710	1,803	220	24,019	65,422
Total Revenues	15,043	42,169	16,500	511,719	936,944	119,185	137,430	1,778,990
Expenditures:								
Current:								
General Government	163	12,720	178	1,477	208,155	5,336	6,900	234,929
Education	75	—	—	1,461	—	—	—	1,536
Natural and Economic Resources	18,384	994	15,597	3,847	—	105,822	101,698	246,342
Transportation and Law Enforcement	—	23,549	—	3,439	263,034	—	48,722	338,744
Human Services	—	156	—	685,078	—	—	3,729	688,963
Debt Service:								
Principal	—	20	—	—	—	82	546	648
Interest	—	6	8	—	—	19	180	213
Total Expenditures	18,622	37,445	15,783	695,302	471,189	111,259	161,775	1,511,375
Excess Revenues (Expenditures)	(3,579)	4,724	717	(183,583)	465,755	7,926	(24,345)	267,615
Other Financing Sources (Uses):								
Issuance of Notes/ Capital Leases	—	3	59	—	—	—	20	82
Proceeds from Sale of Capital Assets	—	43	5	—	7,917	—	11	7,976
Transfers In	28	1,387	38	198,477	732	7,280	46,190	254,132
Transfers Out	(768)	(18)	—	(14,721)	(466,070)	(1,153)	(21,716)	(504,446)
Total Other Financing Sources (Uses)	(740)	1,415	102	183,756	(457,421)	6,127	24,505	(242,256)
Net Change in Fund Balances	(4,319)	6,139	819	173	8,334	14,053	160	25,359
Fund Balances - Beginning	56,387	32,000	12,554	18,398	213,158	35,536	85,899	453,932
Increase (Decrease) in Reserve for Inventory	(1)	—	2	19	657	—	(12)	665
Fund Balances - Ending	$ 52,067	$ 38,139	$ 13,375	$ 18,590	$ 222,149	$ 49,589	$ 86,047	$ 479,956

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	$ —	$ —	$ —	$ —	$ —	$ —
Cigarette	—	—	—	—	—	—
Fuel	—	—	—	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	110	112	2	—	—	—
Total Taxes	110	112	2	—	—	—
Licenses, Fees, and Permits	14,130	14,409	279	26,926	30,713	3,787
Sales	—	—	—	—	—	—
Leases and Rentals	—	—	—	—	—	—
Services	—	—	—	695	793	98
Contributions and Intergovernmental	1	1	—	2,207	2,517	310
Interest	—	—	—	223	254	31
Penalties and Unclaimed Property	431	440	9	7,814	8,913	1,099
Cost Reimbursement/ Miscellaneous	173	176	3	1,251	1,426	175
Total Revenues	14,845	15,138	293	39,116	44,616	5,500
Expenditures:						
Current:						
General Government	60	2	58	22,496	13,511	8,985
Education	150	78	72	—	—	—
Natural and Economic Resources	12,098	8,910	3,188	1,185	2	1,183
Transportation and Law Enforcement	—	—	—	34,846	24,461	10,385
Human Services	—	—	—	750	154	596
Total Expenditures	12,308	8,990	3,318	59,277	38,128	21,149
Excess Revenues (Expenditures)	2,537	6,148	3,611	(20,161)	6,488	26,649
Other Financing Sources (Uses):						
Transfers In	320	10	(310)	3,085	2,982	(103)
Transfers Out	(13,794)	(10,562)	3,232	(2,491)	(2,289)	202
Total Other Financing Sources (Uses)	(13,474)	(10,552)	2,922	594	693	99
Net Change in Fund Balances	(10,937)	(4,404)	6,533	(19,567)	7,181	26,748
Fund Balances - Beginning	57,099	57,099	—	32,198	32,198	—
Fund Balances - Ending	$ 46,162	$ 52,695	$ 6,533	$ 12,631	$ 39,379	$ 26,748
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(33,545)			(25,068)	
Investments at Fair Value		33,342			24,917	
Receivables, Net		—			1,321	
Due from Other Funds		—			—	
Inventories		26			8	
Accounts Payable		(194)			(1,426)	
Accrued Payroll		(238)			(421)	
Due to Other Funds		(19)			(508)	
Deferred Inflows of Resources		—			(63)	
Fund Balance per GAAP		$ 52,067			$ 38,139	

Agriculture and State Fair			Social Assistance		
Budget	Actual	Variance	Budget	Actual	Variance
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	40,558	39,337	(1,221)
—	—	—	—	—	—
—	—	—	—	—	—
4,650	4,576	(74)	—	—	—
—	—	—	64,769	62,820	(1,949)
4,650	4,576	(74)	105,327	102,157	(3,170)
11,815	11,628	(187)	19,082	18,508	(574)
6	6	—	1,084	1,051	(33)
—	—	—	—	—	—
—	—	—	—	—	—
187	184	(3)	368,823	357,722	(11,101)
91	90	(1)	519	503	(16)
—	—	—	20	19	(1)
156	154	(2)	44,794	43,446	(1,348)
16,905	16,638	(267)	539,649	523,406	(16,243)
291	105	186	5,068	2,929	2,139
—	—	—	3,179	1,899	1,280
14,932	12,092	2,840	6,946	3,895	3,051
—	—	—	5,353	2,989	2,364
—	—	—	534,666	499,354	35,312
15,223	12,197	3,026	555,212	511,066	44,146
1,682	4,441	2,759	(15,563)	12,340	27,903
5	5	—	271,934	210,640	(61,294)
(3,990)	(3,716)	274	(308,566)	(219,667)	88,899
(3,985)	(3,711)	274	(36,632)	(9,027)	27,605
(2,303)	730	3,033	(52,195)	3,313	55,508
8,972	8,972	—	54,066	54,066	—
$ 6,669	$ 9,702	$ 3,033	$ 1,871	$ 57,379	$ 55,508
	(5,900)			(36,513)	
	7,803			36,312	
	2,171			5,055	
	—			—	
	13			29	
	(115)			(42,819)	
	(271)			(325)	
	(16)			(80)	
	(12)			(448)	
	$ 13,375			$ 18,590	

This schedule is continued on pages 161 - 162

	Transportation and Law Enforcement			Unemployment and Workers' Compensation		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	$ 11,817	$ 11,577	$ (240)	$ —	$ —	$ —
Cigarette	—	—	—	—	—	—
Fuel	744,195	729,054	(15,141)	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	145,131	120,120	(25,011)
Total Taxes	756,012	740,631	(15,381)	145,131	120,120	(25,011)
Licenses, Fees, and Permits	219,107	214,649	(4,458)	—	—	—
Sales	7,291	7,143	(148)	—	—	—
Leases and Rentals	—	—	—	—	—	—
Services	—	—	—	—	—	—
Contributions and Intergovernmental	590	578	(12)	3,396	2,811	(585)
Interest	954	935	(19)	515	426	(89)
Penalties and Unclaimed Property	568	556	(12)	9,445	7,817	(1,628)
Cost Reimbursement/ Miscellaneous	1,533	1,501	(32)	448	371	(77)
Total Revenues	986,055	965,993	(20,062)	158,935	131,545	(27,390)
Expenditures:						
Current:						
General Government	226,657	215,345	11,312	22,131	9,908	12,223
Education	—	—	—	—	—	—
Natural and Economic Resources	—	—	—	155,307	112,705	42,602
Transportation and Law Enforcement	310,060	274,897	35,163	—	—	—
Human Services	—	—	—	—	—	—
Total Expenditures	536,717	490,242	46,475	177,438	122,613	54,825
Excess Revenues (Expenditures)	449,338	475,751	26,413	(18,503)	8,932	27,435
Other Financing Sources (Uses):						
Transfers In	562,287	548,494	(13,793)	6	4	(2)
Transfers Out	(1,089,245)	(1,025,338)	63,907	(13,388)	(11,690)	1,698
Total Other Financing Sources (Uses)	(526,958)	(476,844)	50,114	(13,382)	(11,686)	1,696
Net Change in Fund Balances	(77,620)	(1,093)	76,527	(31,885)	(2,754)	29,131
Fund Balances - Beginning	98,216	98,216	—	46,530	46,530	—
Fund Balances - Ending	$ 20,596	$ 97,123	$ 76,527	$ 14,645	$ 43,776	$ 29,131
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(48,795)			(27,862)	
Investments at Fair Value		51,581			27,694	
Receivables, Net		134,552			24,827	
Due from Other Funds		—			630	
Inventories		3,369			—	
Accounts Payable		(2,565)			(18,326)	
Accrued Payroll		(7,620)			(462)	
Due to Other Funds		(366)			(95)	
Deferred Inflows of Resources		(5,130)			(593)	
Fund Balance per GAAP		$ 222,149			$ 49,589	

This schedule is continued from page 160.

Reimbursements and Other			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
$ —	$ —	$ —	$ 11,817	$ 11,577	$ (240)
—	—	—	40,558	39,337	(1,221)
—	—	—	744,195	729,054	(15,141)
171	172	1	171	172	1
—	—	—	4,650	4,576	(74)
—	—	—	210,010	183,052	(26,958)
171	172	1	1,011,401	967,768	(43,633)
105,828	106,639	811	396,888	396,546	(342)
373	376	3	8,754	8,576	(178)
2	2	—	2	2	—
7	7	—	702	800	98
4,280	4,313	33	379,484	368,126	(11,358)
922	929	7	3,224	3,137	(87)
1,779	1,793	14	20,057	19,538	(519)
23,467	23,647	180	71,822	70,721	(1,101)
136,829	137,878	1,049	1,892,334	1,835,214	(57,120)
9,746	6,140	3,606	286,449	247,940	38,509
—	—	—	3,329	1,977	1,352
110,723	87,529	23,194	301,191	225,133	76,058
48,323	42,158	6,165	398,582	344,505	54,077
3,727	2,905	822	539,143	502,413	36,730
172,519	138,732	33,787	1,528,694	1,321,968	206,726
(35,690)	(854)	34,836	363,640	513,246	149,606
90,220	69,582	(20,638)	927,857	831,717	(96,140)
(104,668)	(70,765)	33,903	(1,536,142)	(1,344,027)	192,115
(14,448)	(1,183)	13,265	(608,285)	(512,310)	95,975
(50,138)	(2,037)	48,101	(244,645)	936	245,581
92,457	92,457	—	389,538	389,538	—
$ 42,319	$ 90,420	$ 48,101	$ 144,893	$ 390,474	$ 245,581
	(57,504)			(235,187)	
	57,185			238,834	
	2,648			170,574	
	—			630	
	229			3,674	
	(3,106)			(68,551)	
	(2,594)			(11,931)	
	(105)			(1,189)	
	(1,126)			(7,372)	
	$ 86,047			$ 479,956	

*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

Debt Service Funds:

Water Pollution Control Bond and Interest - Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Fourth State Building Bond and Interest - Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest - Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

Fulton State Hospital Bond and Interest - Accounts for moneys used to pay the principal of the Fulton State Hospital Bonds and the interest thereon.

Missouri Road Bond - Accounts for moneys used to pay bonds issued by the Highway and Transportation Commission.

STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2018
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2018
ASSETS						
Cash and Cash Equivalents	$ 4,629	$ 8,197	$ 564	$ 3,903	$ 18,848	$ 36,141
Investments	10,077	17,845	1,227	8,497	28,315	65,961
Accounts Receivable, Net	—	—	—	—	17,395	17,395
Interest Receivable	45	76	5	36	149	311
Total Assets	$ 14,751	$ 26,118	$ 1,796	$ 12,436	$ 64,707	$ 119,808
DEFERRED INFLOWS OF RESOURCES	$ 16	$ 28	$ 2	$ 13	$ —	$ 59
FUND BALANCES						
Restricted	14,735	26,090	1,794	12,423	64,707	119,749
Total Fund Balances	14,735	26,090	1,794	12,423	64,707	119,749
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 14,751	$ 26,118	$ 1,796	$ 12,436	$ 64,707	$ 119,808

Note: There were no liabilities for fiscal year ended June 30, 2018.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2018
Revenues:						
Taxes	$ —	$ —	$ —	$ —	$ 184,928	$ 184,928
Contributions and Intergovernmental	—	—	—	—	4,709	4,709
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(14)	(111)	(8)	(53)	(517)	(703)
Interest	249	345	24	163	1,447	2,228
Total Revenues	235	234	16	110	190,567	191,162
Expenditures:						
Current:						
Transportation and Law Enforcement	—	—	—	—	1	1
Debt Service:						
Principal	24,960	23,815	1,360	4,850	120,320	175,305
Interest	3,110	2,054	428	7,501	62,067	75,160
Issuance Cost	—	—	—	—	—	—
Total Expenditures	28,070	25,869	1,788	12,351	182,388	250,466
Excess Revenues (Expenditures)	(27,835)	(25,635)	(1,772)	(12,241)	8,179	(59,304)
Other Financing Sources (Uses):						
Transfers In	14,270	25,630	1,769	12,195	—	53,864
Total Other Financing Sources (Uses)	14,270	25,630	1,769	12,195	—	53,864
Net Change in Fund Balances	(13,565)	(5)	(3)	(46)	8,179	(5,440)
Fund Balances - Beginning	28,300	26,095	1,797	12,469	56,528	125,189
Fund Balances - Ending	$ 14,735	$ 26,090	$ 1,794	$ 12,423	$ 64,707	$ 119,749

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Fourth State Building Bond and Interest		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	$ —	$ —	$ —	$ —	$ —	$ —
Interest	246	245	(1)	319	320	1
Total Revenues	246	245	(1)	319	320	1
Expenditures:						
Debt Service	28,070	28,070	—	25,869	25,869	—
Total Expenditures	28,070	28,070	—	25,869	25,869	—
Excess Revenues (Expenditures)	(27,824)	(27,825)	(1)	(25,550)	(25,549)	1
Other Financing Sources (Uses):						
Transfers In	14,557	14,269	(288)	25,927	25,630	(297)
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	14,557	14,269	(288)	25,927	25,630	(297)
Net Change in Fund Balances	(13,267)	(13,556)	(289)	377	81	(296)
Fund Balances - Beginning	28,378	28,378	—	26,166	26,166	—
Fund Balances - Ending	$ 15,111	$ 14,822	$ (289)	$ 26,543	$ 26,247	$ (296)
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(10,193)			(18,050)	
Investments at Fair Value		10,077			17,845	
Receivables, Net		45			76	
Deferred Inflows of Resources		(16)			(28)	
Fund Balances - GAAP Basis		$ 14,735			$ 26,090	

Stormwater Control Bond and Interest			Fulton State Hospital Bond and Interest		
Budget	Actual	Variance	Budget	Actual	Variance
$ —	$ —	$ —	$ —	$ —	$ —
22	22	—	150	150	—
22	22	—	150	150	—
1,788	1,788	—	12,945	12,351	594
1,788	1,788	—	12,945	12,351	594
(1,766)	(1,766)	—	(12,795)	(12,201)	594
1,783	1,769	(14)	12,350	12,195	(155)
—	—	—	—	—	—
1,783	1,769	(14)	12,350	12,195	(155)
17	3	(14)	(445)	(6)	439
1,802	1,802	—	12,504	12,504	—
$ 1,819	$ 1,805	$ (14)	$ 12,059	$ 12,498	$ 439
	(1,241)			(8,595)	
	1,227			8,497	
	5			36	
	(2)			(13)	
	$ 1,794			$ 12,423	

This schedule is continued on page 169.

	Missouri Road Bond			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	$ 186,146	$ 182,763	$ (3,383)	$ 186,146	182,763	$ (3,383)
Interest	230	1,092	862	967	1,829	862
Total Revenues	186,376	183,855	(2,521)	187,113	184,592	(2,521)
Expenditures:						
Debt Service	177,690	177,672	18	246,362	245,750	612
Total Expenditures	177,690	177,672	18	246,362	245,750	612
Excess Revenues (Expenditures)	8,686	6,183	(2,503)	(59,249)	(61,158)	(1,909)
Other Financing Sources (Uses):						
Transfers In	—	—	—	54,617	53,863	(754)
Transfers Out	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	54,617	53,863	(754)
Net Change in Fund Balances	8,686	6,183	(2,503)	(4,632)	(7,295)	(2,663)
Fund Balances - Beginning	41,360	41,360	—	110,210	110,210	—
Fund Balances - Ending	$ 50,046	$ 47,543	$ (2,503)	$ 105,578	$ 102,915	$ (2,663)
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(28,695)			(66,774)	
Investments at Fair Value		28,315			65,961	
Receivables, Net		17,544			17,706	
Deferred Inflows of Resources		—			(59)	
Fund Balances - GAAP Basis		$ 64,707			$ 119,749	

This schedule is continued from page 168.

*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Board of Public Buildings - Accounts for bond sale proceeds to be used for renovating state buildings and structures.

Fulton State Hospital - Accounts for proceeds from the sale of bonds to be used for the completion of the design and construction of the replacement for Fulton State Hospital.

State Historical Society - Accounts for proceeds from the sale of bonds to be used for the design, acquisition, and construction of the building for the State Historical Society.

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2018
(In Thousands of Dollars)

	Board of Public Buildings	Fulton State Hospital	State Historical Society	Totals June 30, 2018
ASSETS				
Cash and Cash Equivalents	$ 25,825	$ 15,740	$ 7,665	$ 49,230
Investments	56,222	34,266	16,687	107,175
Interest Receivable	221	169	82	472
Total Assets	$ 82,268	$ 50,175	$ 24,434	$ 156,877
LIABILITIES				
Accounts Payable	$ 4,022	$ 7,038	$ —	$ 11,060
Total Liabilities	4,022	7,038	—	11,060
DEFERRED INFLOWS OF RESOURCES	81	62	30	173
FUND BALANCES				
Restricted	78,165	43,075	24,404	145,644
Total Fund Balances	78,165	43,075	24,404	145,644
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 82,268	$ 50,175	$ 24,434	$ 156,877

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Board of Public Buildings	Fulton State Hospital	State Historical Society	Totals June 30, 2018
Revenues:				
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	$ (408)	$ 6	$ (70)	$ (472)
Interest	1,021	1,051	407	2,479
Total Revenues	613	1,057	337	2,007
Expenditures:				
Current:				
General Government	7,848	—	9,493	17,341
Education	55,349	—	—	55,349
Natural and Economic Resources	1,231	—	—	1,231
Transportation and Law Enforcement	9,135	—	—	9,135
Human Services	16,225	20	—	16,245
Capital Outlay:				
General Government	1,320	—	—	1,320
Education	106	—	—	106
Natural and Economic Resources	3,549	—	—	3,549
Transportation and Law Enforcement	276	—	—	276
Human Services	860	63,607	—	64,467
Debt Service:				
Underwriter's Discount	985	—	—	985
Total Expenditures	96,884	63,627	9,493	170,004
Excess Revenues (Expenditures)	(96,271)	(62,570)	(9,156)	(167,997)
Other Financing Sources (Uses):				
Issuance of Bonds	124,905	—	—	124,905
Bond Premium	9,751	—	—	9,751
Transfers In	231	—	—	231
Total Other Financing Sources (Uses)	134,887	—	—	134,887
Net Change in Fund Balances	38,616	(62,570)	(9,156)	(33,110)
Fund Balances - Beginning	39,549	105,645	33,560	178,754
Fund Balances - Ending	$ 78,165	$ 43,075	$ 24,404	$ 145,644

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR CAPITAL PROJECT FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Board of Public Buildings			Fulton State Hospital		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Interest	$ 964	$ 964	$ —	$ 1,041	$ 1,042	$ 1
Total Revenues	964	964	—	1,041	1,042	1
Expenditures:						
Current:						
General Government	13,514	5,878	7,636	—	—	—
Education	78,992	78,992	—	—	—	—
Natural and Economic Resources	1,053	1,053	—	—	—	—
Transportation and Law Enforcement	8,750	8,750	—	—	—	—
Human Services	17,406	17,406	—	20	20	—
Capital Outlays:						
General Government	2,943	1,280	1,663	—	—	—
Education	100	100	—	—	—	—
Natural and Economic Resources	3,547	3,547	—	—	—	—
Transportation and Law Enforcement	267	267	—	—	—	—
Human Services	814	814	—	61,720	61,720	—
Total Expenditures	127,386	118,087	9,299	61,740	61,740	—
Excess Revenues (Expenditures)	(126,422)	(117,123)	9,299	(60,699)	(60,698)	1
Other Financing Sources (Uses):						
Issuance of Bonds	133,671	133,671	—	—	—	—
Transfers In	231	231	—	—	—	—
Total Other Financing Sources (Uses)	133,902	133,902	—	—	—	—
Net Changes in Fund Balances	7,480	16,779	9,299	(60,699)	(60,698)	1
Fund Balances - Beginning	65,914	65,914	—	111,098	111,098	—
Fund Balances - Ending	$ 73,394	$ 82,693	$ 9,299	$ 50,399	$ 50,400	$ 1
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(56,868)			(34,660)	
Investments at Fair Value		56,222			34,266	
Receivables, Net		221			169	
Account Payable		(4,022)			(7,038)	
Deferred Inflows of Resources		(81)			(62)	
Fund Balance - GAAP Basis		$ 78,165			$ 43,075	

State Historical Society			Total		
Budget	Actual	Variance	Budget	Actual	Variance
$ 385	$ 384	$ (1)	$ 2,390	$ 2,390	$ —
385	384	(1)	2,390	2,390	—
9,502	9,502	—	23,016	15,380	7,636
—	—	—	78,992	78,992	—
—	—	—	1,053	1,053	—
—	—	—	8,750	8,750	—
—	—	—	17,426	17,426	—
—	—	—	2,943	1,280	1,663
—	—	—	100	100	—
—	—	—	3,547	3,547	—
—	—	—	267	267	—
—	—	—	62,534	62,534	—
9,502	9,502	—	198,628	189,329	9,299
(9,117)	(9,118)	(1)	(196,238)	(186,939)	9,299
—	—	—	133,671	133,671	—
—	—	—	231	231	—
—	—	—	133,902	133,902	—
(9,117)	(9,118)	(1)	(62,336)	(53,037)	9,299
33,662	33,662	—	210,674	210,674	—
$ 24,545	$ 24,544	$ (1)	$ 148,338	$ 157,637	$ 9,299
	(16,879)			(108,407)	
	16,687			107,175	
	82			472	
	—			(11,060)	
	(30)			(173)	
	$ 24,404			$ 145,644	

*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment - Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park - Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School - Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust - Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2018
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2018
ASSETS					
Cash and Cash Equivalents	$ 11	$ 66	$ 786	$ 135	$ 998
Investments	18	115	56,269	236	56,638
Interest Receivable	—	—	—	1	1
Total Assets	$ 29	$ 181	$ 57,055	$ 372	$ 57,637
DEFERRED INFLOWS OF RESOURCES	—	—	—	1	1
FUND BALANCES					
Nonspendable	$ 29	$ 75	$ 57,055	$ 365	$ 57,524
Assigned	—	106	—	6	112
Total Fund Balances	29	181	57,055	371	57,636
Total Liabilities, Deferred Inflows, and Fund Balances	$ 29	$ 181	$ 57,055	$ 372	$ 57,637

Note: There were no liabilities for the fiscal year ended June 30, 2018.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2018
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	$ —	$ —	$ (165)	$ (1)	$ (166)
Interest	—	2	—	4	6
Penalties and Unclaimed Properties	—	—	2,162	—	2,162
Contributions and Intergovernmental	—	—	5	—	5
Total Revenues	—	2	2,002	3	2,007
Expenditures:					
Human Services	—	—	—	2	2
Total Expenditures	—	—	—	2	2
Excess Revenues (Expenditures)	—	2	2,002	1	2,005
Net Change in Fund Balances	—	2	2,002	1	2,005
Fund Balances - Beginning	29	179	55,053	370	55,631
Fund Balances - Ending	$ 29	$ 181	$ 57,055	$ 371	$ 57,636

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ALL APPROPRIATED PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment			Confederate Memorial Park		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Interest	$ —	$ —	$ —	$ 2	$ 2	$ —
Contributions and Intergovernmental	—	—	—	—	—	—
Penalties and Unclaimed Property	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	—	—	—
Total Revenues	—	—	—	2	2	—
Expenditures:						
Current:						
Human Services	—	—	—	—	—	—
Total Expenditures	—	—	—	—	—	—
Excess Revenues (Expenditures)	—	—	—	2	2	—
Other Financing Sources (Uses):						
Transfers In	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—	—	—
Net Changes in Fund Balances	—	—	—	2	2	—
Fund Balances - Beginning	29	29	—	179	179	—
Fund Balances - Ending	$ 29	$ 29	$ —	$ 181	$ 181	$ —
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(18)			(115)	
Investments at Fair Value		18			115	
Receivable, Net		—			—	
Deferred Inflows of Resources		—			—	
Fund Balance - GAAP Basis		$ 29			$ 181	

State Public School			Smith Memorial Endowment Trust		
Budget	Actual	Variance	Budget	Actual	Variance
$ —	$ —	$ —	$ 2	$ 4	$ 2
—	5	5	—	—	—
—	46	46	—	—	—
—	556	556	—	—	—
—	607	607	2	4	2
—	—	—	10	2	8
—	—	—	10	2	8
—	607	607	(8)	2	10
3,000	2,117	(883)	—	—	—
3,000	2,117	(883)	—	—	—
3,000	2,724	(276)	(8)	2	10
43,132	43,132	—	370	370	—
$ 46,132	$ 45,856	$ (276)	$ 362	$ 372	$ 10
	(45,070)			(237)	
	56,269			236	
	—			1	
	$ —			(1)	
	$ 57,055			$ 371	

This schedule is continued on page 182.

	Totals		
	Budget	Actual	Variance
Revenues:			
Interest	$ 4	$ 6	$ 2
Contributions and Intergovernmental	—	5	5
Penalties and Unclaimed Property	—	46	46
Reimbursement/Miscellaneous	—	556	556
Total Revenues	4	613	609
Expenditures:			
Current:			
Human Services	10	2	8
Total Expenditures	10	2	8
Excess Revenues (Expenditures)	(6)	611	617
Other Financing Sources (Uses):			
Transfers In	3,000	2,117	(883)
Total Other Financing Sources (Uses)	3,000	2,117	(883)
Net Changes in Fund Balances	2,994	2,728	(266)
Fund Balances - Beginning	43,710	43,710	—
Fund Balances - Ending	$ 46,704	$ 46,438	$ (266)
Reconciling Items:			
Reclassifying Cash Equivalents as Investments		(45,440)	
Investments at Fair Value		56,638	
Receivable, Net		1	
Deferred Inflows of Resources		(1)	
Fund Balance - GAAP Basis		$ 57,636	

This schedule is continued from page 181.

*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees - Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks - Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services - Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving - Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes - Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property - Accounts for the surplus property operation.

Department of Revenue Information - Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2018
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 762	$ 5,548	$ 577
Investments	1,326	9,663	1,005
Accounts Receivable, Net	44	—	—
Interest Receivable	5	36	—
Due from Other Funds	1	—	379
Inventories	4	724	351
Loans Receivable	—	—	—
Total Current Assets	2,142	15,971	2,312
Non-Current Assets:			
Capital Assets:			
Construction in Progress	—	14,599	—
Software in Progress	—	—	—
Land	—	32,249	—
Land Improvements	173	37,667	—
Temporary Easements	—	50	—
Buildings	757	47,009	—
Equipment	581	14,063	17,128
Software	—	—	—
Less Accumulated Depreciation/Amortization	(895)	(36,450)	(10,761)
Total Non-Current Assets	616	109,187	6,367
Total Assets	2,758	125,158	8,679
DEFERRED OUTFLOWS OF RESOURCES	366	1,016	35
LIABILITIES			
Current Liabilities:			
Accounts Payable	20	143	40
Accrued Payroll	51	41	1
Due to Other Funds	4	5	3
Unearned Revenue	—	518	—
Compensated Absences	43	80	—
Total Current Liabilities	118	787	44
Non-Current Liabilities:			
Compensated Absences	—	48	—
Net OPEB Liability	307	1,646	52
Net Pension Liability	801	3,522	123
Total Non-Current Liabilities	1,108	5,216	175
Total Liabilities	1,226	6,003	219
DEFERRED INFLOWS OF RESOURCES	20	60	2
NET POSITION			
Net Investment in Capital Assets	616	109,187	6,367
Unrestricted	1,262	10,924	2,126
Total Net Position	$ 1,878	$ 120,111	$ 8,493

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency For Surplus Property	Department of Revenue Information	Totals June 30, 2018
$ 616	$ 795	$ 1,170	$ 296	$ 9,764
1,073	1,310	1,524	520	16,421
—	6,637	71	16	6,768
12	10	6	—	69
—	—	—	—	380
—	526	—	—	1,605
222	—	—	—	222
1,923	9,278	2,771	832	35,229
—	—	—	—	14,599
—	189	—	—	189
—	—	—	—	32,249
—	451	250	—	38,541
—	—	—	—	50
480	1,354	1,909	—	51,509
13	12,409	1,187	96	45,477
—	15	155	—	170
(228)	(7,483)	(2,264)	(96)	(58,177)
265	6,935	1,237	—	124,607
2,188	16,213	4,008	832	159,836
155	45,966	549	—	48,087
2	1,731	126	—	2,062
7	2,230	26	—	2,356
—	73	2	—	87
—	86	—	—	604
10	3,483	47	—	3,663
19	7,603	201	—	8,772
—	—	8	—	56
162	44,651	637	—	47,455
375	110,098	1,595	—	116,514
537	154,749	2,240	—	164,025
556	162,352	2,441	—	172,797
9	2,589	31	—	2,711
265	6,935	1,237	—	124,607
1,513	(109,697)	848	832	(92,192)
$ 1,778	$ (102,762)	$ 2,085	$ 832	$ 32,415

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Operating Revenues:			
Licenses, Fees, and Permits	$ 3,482	$ 6,960	$ 57
Sales	—	1,467	138
Leases and Rentals	1,264	2,854	—
Charges for Services	—	—	—
Cost Reimbursement/Miscellaneous	1	129	5
Total Operating Revenues	4,747	11,410	200
Operating Expenses:			
Cost of Goods Sold	—	—	597
Personal Service	1,596	1,527	64
Operations	2,958	3,284	204
Specific Programs	9	23	—
Depreciation/Amortization	70	2,244	1,195
Other Charges	219	172	3
Total Operating Expenses	4,852	7,250	2,063
Operating Income (Loss)	(105)	4,160	(1,863)
Non-Operating Revenues (Expenses):			
Contributions and Intergovernmental	319	2,676	2,220
Interest Expense	—	—	(1)
Investment Earnings:			
Net Increase (Decrease) in the Fair Value of Investments	(4)	(41)	(4)
Interest	23	160	—
Penalties and Unclaimed Properties	—	57	—
Disposal of Capital Assets	(11)	70	350
Total Non-Operating Revenues (Expenses)	327	2,922	2,565
Income (Loss) Before Transfers	222	7,082	702
Capital Contributions	—	11,463	—
Transfers In	—	—	—
Transfers Out	—	—	—
Change in Net Position	222	18,545	702
Total Net Position - Beginning	1,656	101,566	7,791
Total Net Position - Ending	$ 1,878	$ 120,111	$ 8,493

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency For Surplus Property	Department of Revenue Information	Totals June 30, 2018
$ —	$ —	$ —	$ —	$ 10,499
—	288	1,734	760	4,387
—	—	—	—	4,118
—	24,205	—	—	24,205
1	—	132	—	268
1	24,493	1,866	760	43,477
—	—	1,099	—	1,696
295	97,866	1,165	—	102,513
53	22,381	259	12	29,151
364	1,273	—	—	1,669
10	1,162	184	—	4,865
3	249	4	—	650
725	122,931	2,711	12	140,544
(724)	(98,438)	(845)	748	(97,067)
—	75,107	—	—	80,322
—	—	—	—	(1)
(4)	(6)	(4)	(1)	(64)
17	46	32	—	278
—	47	295	—	399
—	(50)	303	—	662
13	75,144	626	(1)	81,596
(711)	(23,294)	(219)	747	(15,471)
—	—	—	—	11,463
698	8,400	—	—	9,098
—	—	(30)	(1,018)	(1,048)
(13)	(14,894)	(249)	(271)	4,042
1,791	(87,868)	2,334	1,103	28,373
$ 1,778	$ (102,762)	$ 2,085	$ 832	$ 32,415

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Cash Flows from Operating Activities:			
Receipts from Internal Customers and Users	$ 74	$ —	$ —
Receipts from External Customers and Users	4,662	11,225	195
Payments to Suppliers	(2,410)	(2,680)	(714)
Payments to Employees	(1,445)	(1,453)	(58)
Payments to Other Funds for Services Provided	(603)	(672)	(106)
Payments Made for Program Expense	(9)	(23)	—
Other Receipts	1	129	5
Other Payments	(219)	(172)	(3)
Net Cash Provided (Used) by Operating Activities	51	6,354	(681)
Cash Flows from Non-Capital Financing Activities:			
Loans Made to Outside Entities	—	—	—
Due to Other Funds	2	4	(1)
Due from Other Funds	—	—	(363)
Contributions and Intergovernmental	186	2,676	2,220
Transfers to Other Funds	—	—	—
Transfers from Other Funds	—	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	188	2,680	1,856
Cash Flows from Capital and Related Financing Activities:			
Interest Expense	—	—	(1)
Purchases and Construction of Capital Assets	(32)	(2,352)	(688)
Capital Lease Downpayment/Obligations	—	—	(128)
Disposal of Capital Assets	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(32)	(2,352)	(817)
Cash Flows from Investing Activities:			
Proceeds from Investment Maturities	86	—	—
Purchase of Investments	—	(3,342)	(76)
Interest and Dividends Received	21	138	—
Penalties and Other Receipts	—	57	—
Net Cash Provided (Used) by Investing Activities	107	(3,147)	(76)
Net Increase (Decrease) in Cash	314	3,535	282
Cash and Cash Equivalents, Beginning of Year	448	2,013	295
Cash and Cash Equivalents, End of Year	$ 762	$ 5,548	$ 577
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	$ (105)	$ 4,160	$ (1,863)
Depreciation/Amortization Expense	70	2,244	1,195
Changes in Assets and Liabilities:			
Accounts Receivable	(10)	—	—
Inventories	(1)	35	(4)
Deferred Outflows of Resources	(63)	(172)	—
Accounts Payable	(54)	(103)	(15)
Accrued Payroll	27	(84)	(1)
Unearned Revenue	—	(56)	—
Compensated Absences	35	(225)	(5)
Net OPEB Liability	12	36	1
Net Pension Liability	128	481	10
Deferred Inflows of Resources	12	38	1
Net Cash Provided (Used) by Operating Activities	$ 51	$ 6,354	$ (681)
Non-Cash Financing and Investing Activities:			
Capital Asset Donations	$ 133	$ —	$ —
Increase (Decrease) in Fair Value of Investments	(4)	(41)	(4)
Net Non-Cash Financing and Investing Activities	$ 129	$ (41)	$ (4)

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2018
$ —	$ —	$ 572	$ —	$ 646
—	26,751	1,157	768	44,758
(11)	(21,528)	(1,200)	(12)	(28,555)
(245)	(83,379)	(991)	—	(87,571)
(44)	(827)	(53)	—	(2,305)
(364)	(1,273)	—	—	(1,669)
1	—	132	—	268
(3)	(249)	(4)	—	(650)
(666)	(80,505)	(387)	756	(75,078)
266	—	—	—	266
—	26	(3)	—	28
—	—	—	—	(363)
—	74,851	—	—	79,933
—	—	(30)	(1,018)	(1,048)
698	8,400	—	—	9,098
964	83,277	(33)	(1,018)	87,914
—	—	—	—	(1)
(2)	(1,696)	—	—	(4,770)
—	—	—	—	(128)
—	—	286	—	286
(2)	(1,696)	286	—	(4,613)
—	—	376	299	761
(29)	(597)	—	—	(4,044)
18	42	31	—	250
—	47	295	—	399
(11)	(508)	702	299	(2,634)
285	568	568	37	5,589
331	227	602	259	4,175
$ 616	$ 795	$ 1,170	$ 296	$ 9,764
$ (724)	$ (98,438)	$ (845)	$ 748	$ (97,067)
10	1,162	184	—	4,865
—	2,287	(5)	8	2,280
—	(81)	—	—	(51)
(14)	(2,842)	(40)	—	(3,131)
(2)	107	105	—	38
(1)	(65)	1	—	(123)
—	(29)	—	—	(85)
(4)	18	3	—	(178)
5	1,637	18	—	1,709
59	14,316	175	—	15,169
5	1,423	17	—	1,496
$ (666)	$ (80,505)	$ (387)	$ 756	$ (75,078)
$ —	$ 256	$ —	$ —	$ 389
(4)	(6)	(4)	(1)	(64)
$ (4)	$ 250	$ (4)	$ (1)	$ 325

*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation - Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments - Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation - Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving - Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving - Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving - Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust - Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative - Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees - Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan - Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan - Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan - Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan - Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan - Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 300	$ 337	$ 1,953	$ 3,311	$ 4,846	$ 1,183
Investments	522	586	3,399	7,899	8,439	2,060
Restricted:						
Investments	—	—	—	—	—	—
Accounts Receivable, Net	—	—	—	4,399	574	40,512
Interest Receivable	—	—	—	14	—	—
Due from Other Funds	—	121	25	6,715	99	4
Due from Component Units	—	—	—	2	—	—
Inventories	—	—	893	1,298	6,901	—
Prepaid Items	—	—	—	—	—	—
Total Current Assets	822	1,044	6,270	23,638	20,859	43,759
Non-Current Assets:						
Investments	—	—	—	—	—	—
Restricted Assets:						
Cash and Cash Equivalents	—	—	—	1,228	—	—
Capital Assets:						
Construction in Progress	—	—	87	218	19	—
Software in Progress	519	—	—	393	—	—
Land	—	—	8,293	—	41	—
Land Improvements	—	—	3,592	—	—	—
Buildings	217	—	480,530	2,915	6,378	—
Equipment	3,893	1,068	14,593	89,172	18,405	371
Software	3,708	603	98	12,876	238	9,467
Less Accumulated Depreciation/Amortization	(6,103)	(1,663)	(224,085)	(89,109)	(22,076)	(9,767)
Total Non-Current Assets	2,234	8	283,108	17,693	3,005	71
Total Assets	3,056	1,052	289,378	41,331	23,864	43,830
DEFERRED OUTFLOWS OF RESOURCES	5,264	—	16,831	9,665	5,201	96
LIABILITIES						
Current Liabilities:						
Bank Overdraft	—	—	—	—	—	—
Accounts Payable	119	265	1,975	1,247	65	644
Accrued Payroll	259	—	814	449	240	3
Due to Other Funds	64	—	88	—	—	104
Unearned Revenue	—	—	—	251	—	—
Claims Liability	—	—	—	—	—	—
Obligations under Lease Purchase	1	—	1,757	2,850	19	—
Compensated Absences	465	—	1,551	864	518	6
Total Current Liabilities	908	265	6,185	5,661	842	757
Non-Current Liabilities:						
Claims Liability	—	—	—	—	—	—
Obligations under Lease Purchase	2	—	25,669	3,351	103	—
Compensated Absences	116	—	297	261	—	—
Net OPEB Liability	6,764	—	22,022	9,484	6,687	837
Net Pension Liability	15,480	—	46,072	25,401	16,324	1,536
Total Non-Current Liabilities	22,362	—	94,060	38,497	23,114	2,373
Total Liabilities	23,270	265	100,245	44,158	23,956	3,130
DEFERRED INFLOWS OF RESOURCES	285	—	943	544	291	5
NET POSITION						
Net Investment in Capital Assets	2,231	8	255,682	10,264	2,883	71
Restricted for:						
Other Purposes	—	—	—	1,228	—	—
Unrestricted	(17,466)	779	(50,661)	(5,198)	1,935	40,720
Total Net Position	$ (15,235)	$ 787	$ 205,021	$ 6,294	$ 4,818	$ 40,791

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2018
$ 34	$ 97	$ 234	$ 1,285	$ 6,675	$ —	$ 28,087	$ 12,261	$ 60,603
61	168	407	9,136	8,574	3,973	29,332	3,943	78,499
—	—	—	—	200	—	—	100	300
—	—	—	794	200	945	13,926	2,375	63,725
—	—	—	29	291	—	—	87	421
53	—	—	—	—	—	—	—	7,017
—	—	—	—	—	—	—	—	2
63	2	12	—	—	—	—	—	9,169
—	—	—	—	—	—	196	—	196
211	267	653	11,244	15,940	4,918	71,541	18,766	219,932
—	—	—	—	90,421	—	—	24,222	114,643
—	—	—	—	—	—	—	—	1,228
—	15	—	—	—	—	—	—	339
—	—	167	—	—	—	—	—	1,079
—	—	—	—	—	—	—	—	8,334
—	—	—	—	—	—	—	—	3,592
—	—	2,376	—	—	—	—	—	492,416
86	196	924	—	—	—	2,229	—	130,937
—	9	291	—	—	—	—	—	27,290
(51)	(191)	(2,455)	—	—	—	(1,942)	—	(357,442)
35	29	1,303	—	90,421	—	287	24,222	422,416
246	296	1,956	11,244	106,361	4,918	71,828	42,988	642,348
—	906	3,251	—	—	—	2,663	—	43,877
—	—	—	—	—	2	—	—	2
75	15	212	275	33	2,879	20,270	1,479	29,553
—	35	156	—	—	—	—	—	1,956
—	4	18	—	—	—	—	—	278
—	—	—	48	—	2,083	20,011	9,737	32,130
—	—	—	3,132	24,245	—	46,137	12,500	86,014
—	—	5	—	—	—	—	—	4,632
—	64	265	—	—	—	2	—	3,735
75	118	656	3,455	24,278	4,964	86,420	23,716	158,300
—	—	—	—	57,199	—	—	—	57,199
—	—	28	—	—	—	—	—	29,153
—	14	45	—	—	—	204	—	937
—	989	3,412	—	—	—	—	—	50,195
—	2,628	8,448	—	—	—	7,979	—	123,868
—	3,631	11,933	—	57,199	—	8,183	—	261,352
75	3,749	12,589	3,455	81,477	4,964	94,603	23,716	419,652
—	52	183	—	—	—	274	—	2,577
35	29	1,270	—	—	—	287	—	272,760
—	—	—	—	200	—	—	100	1,528
136	(2,628)	(8,835)	7,789	24,684	(46)	(20,673)	19,172	(10,292)
$ 171	$ (2,599)	$ (7,565)	$ 7,789	$ 24,884	$ (46)	$ (20,386)	$ 19,272	$ 263,996

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
Operating Revenues:						
Employer Contributions	$ —	$ —	$ —	$ —	$ —	$ —
Employee Contributions	—	—	—	—	—	—
Medicare Part D Subsidy	—	—	—	—	—	—
Licenses, Fees, and Permits	—	—	—	—	—	3,834
Sales	—	—	—	—	26,705	6
Leases and Rentals	—	—	63,052	—	215	9
Charges for Services	12,302	7,697	5,214	92,977	117	—
Cost Reimbursement/Miscellaneous	67	—	37	1,861	13	12
Total Operating Revenues	12,369	7,697	68,303	94,838	27,050	3,861
Operating Expenses:						
Cost of Goods Sold	—	—	—	10,425	10,503	—
Personal Service	10,599	—	34,722	18,647	10,595	187
Operations	2,101	—	35,128	56,004	5,399	6,047
Specific Programs	3	10,340	11	—	6	2,947
Insurance Benefits	—	—	—	—	—	—
Depreciation/Amortization	965	2	12,499	9,117	832	475
Other Charges	85	—	88	85	1,374	22
Total Operating Expenses	13,753	10,342	82,448	94,278	28,709	9,678
Operating Income (Loss)	(1,384)	(2,645)	(14,145)	560	(1,659)	(5,817)
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	47	—	—	—
Interest Expense	—	—	(921)	(135)	(2)	—
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	(1)	3	(10)	(23)	(26)	(10)
Interest	—	—	—	72	—	—
Penalties and Unclaimed Properties	1	—	—	—	—	—
Disposal of Capital Assets	(7)	—	(224)	186	(2)	4
Total Non-Operating Revenues (Expenses)	(7)	3	(1,108)	100	(30)	(6)
Income (Loss) Before Transfers	(1,391)	(2,642)	(15,253)	660	(1,689)	(5,823)
Transfers In	—	33	15	46	10	—
Transfers Out	—	—	—	(2,208)	—	(67)
Change in Net Position	(1,391)	(2,609)	(15,238)	(1,502)	(1,679)	(5,890)
Total Net Position - Beginning	(13,844)	3,396	220,259	7,796	6,497	46,681
Total Net Position - Ending	$ (15,235)	$ 787	$ 205,021	$ 6,294	$ 4,818	$ 40,791

Social Services Administrative Trust Fund	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2018
$ —	$ —	$ —	$ 10,126	$ 20,300	$ —	$ 334,208	$ 91,006	$ 455,640
—	—	—	8,397	—	31,119	80,156	47,072	166,744
—	—	—	83	—	—	—	8,024	8,107
—	—	—	—	—	—	—	—	3,834
—	—	—	—	—	—	—	—	26,711
—	—	—	—	—	—	—	—	63,276
869	1,652	6,983	—	—	—	—	—	127,811
14	1	3	2,836	366	480	32,391	2,597	40,678
883	1,653	6,986	21,442	20,666	31,599	446,755	148,699	892,801
—	—	—	—	—	—	—	—	20,928
—	1,664	6,404	—	—	409	3,621	—	86,848
831	183	1,539	1,964	1,135	117	1,483	5,902	117,833
—	5	9	—	—	—	—	—	13,321
—	—	—	18,697	20,180	31,114	514,368	137,735	722,094
17	9	207	—	—	—	90	—	24,213
—	6	191	9	—	—	11,247	—	13,107
848	1,867	8,350	20,670	21,315	31,640	530,809	143,637	998,344
35	(214)	(1,364)	772	(649)	(41)	(84,054)	5,062	(105,543)
—	—	—	—	—	—	—	—	47
—	—	(1)	—	—	—	—	—	(1,059)
—	(1)	(1)	(126)	(2,080)	—	—	(498)	(2,773)
—	—	—	142	2,096	79	1,222	617	4,228
—	—	—	—	—	—	—	—	1
—	—	—	—	—	—	—	—	(43)
—	(1)	(2)	16	16	79	1,222	119	401
35	(215)	(1,366)	788	(633)	38	(82,832)	5,181	(105,142)
—	—	10	—	—	—	—	—	114
—	—	(10)	—	—	—	—	—	(2,285)
35	(215)	(1,366)	788	(633)	38	(82,832)	5,181	(107,313)
136	(2,384)	(6,199)	7,001	25,517	(84)	62,446	14,091	371,309
$ 171	$ (2,599)	$ (7,565)	$ 7,789	$ 24,884	$ (46)	$ (20,386)	$ 19,272	$ 263,996

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	$ 12,302	$ 7,697	$ 68,217	$ 89,167	$ 17,646	$ 86
Receipts from External Customers and Users	16	—	49	2,206	9,531	11,337
Payments to Suppliers	(2,098)	173	(34,725)	(66,511)	(15,036)	(6,076)
Payments to Employees	(9,209)	—	(29,521)	(15,674)	(9,028)	(166)
Payments Made for Program Expense	(3)	(10,340)	(11)	—	(6)	(2,947)
Other Receipts	67	—	37	1,861	13	12
Other Payments	(85)	—	(88)	(85)	(1,374)	(22)
Net Cash Provided (Used) by Operating Activities	990	(2,470)	3,958	10,964	1,746	2,224
Cash Flows from Non-Capital Financing Activities:						
Due to Other Funds	14	—	43	—	—	103
Due from Other Funds	—	(121)	(10)	228	(1)	3
Contributions and Intergovernmental	—	—	47	(11)	—	—
Transfers to Other Funds	—	—	—	(2,208)	—	(67)
Transfers from Other Funds	—	33	—	46	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	14	(88)	80	(1,945)	(1)	39
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	—	—	(921)	(135)	(2)	—
Purchases and Construction of Capital Assets	(1,072)	—	(360)	(3,643)	(209)	(4)
Capital Lease Downpayment/Obligations	(1)	—	(2,384)	(4,680)	(20)	—
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,073)	—	(3,665)	(8,458)	(231)	(4)
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	154	2,059	381	1,063	497	—
Purchase of Investments	—	—	—	—	—	(1,315)
Interest and Dividends Received	—	—	—	69	—	—
Investment Fees	—	—	—	—	—	—
Penalties and Other Receipts	1	—	—	—	—	—
Net Cash Provided (Used) by Investing Activities	155	2,059	381	1,132	497	(1,315)
Net Increase (Decrease) in Cash	86	(499)	754	1,693	2,011	944
Cash and Cash Equivalents, Beginning of Year	214	836	1,199	2,846	2,835	239
Cash and Cash Equivalents, End of Year	$ 300	$ 337	$ 1,953	$ 4,539	$ 4,846	$ 1,183
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	$ (1,384)	$ (2,645)	$ (14,145)	$ 560	$ (1,659)	$ (5,817)
Depreciation/Amortization Expense	965	2	12,499	9,117	832	475
Changes in Assets and Liabilities:						
Accounts Receivable	16	—	—	(1,554)	140	7,574
Inventories	—	—	137	(37)	891	—
Deferred Outflows of Resources	(380)	—	(1,091)	(1,289)	(383)	343
Prepaid Items	—	—	—	—	—	—
Accounts Payable	3	173	266	(45)	(25)	(29)
Accrued Payroll	(10)	—	(1)	(3)	(3)	(2)
Unearned Revenue	—	—	—	(50)	—	—
Claims Liability	—	—	—	—	—	—
Compensated Absences	18	—	—	(61)	(36)	(7)
Net OPEB Liability	179	—	586	340	183	3
Net Pension Liability	1,431	—	5,191	3,663	1,645	(306)
Deferred Inflows of Resources	152	—	516	323	161	(10)
Net Cash Provided (Used) by Operating Activities	$ 990	$ (2,470)	$ 3,958	$ 10,964	$ 1,746	$ 2,224
Non-Cash Financing and Investing Activities:						
Capital Lease Issuance	$ 4	$ —	$ 418	$ 1,624	$ 133	$ —
Capital Asset Donations	—	—	—	11	—	—
Increase (Decrease) in Fair Value of Investments	$ (1)	$ 3	$ (10)	$ (23)	$ (26)	$ (10)
Net Non-Cash Financing and Investing Activities	$ 3	$ 3	$ 408	$ 1,612	$ 107	$ (10)

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2018
$ 862	$ 1,013	$ —	$ 10,124	$ 20,300	$ —	$ 330,680	$ 91,006	$ 649,100
7	639	6,983	8,526	—	31,120	80,156	55,843	206,413
(795)	(182)	(1,454)	(1,851)	(1,135)	96	840	(6,463)	(135,217)
—	(1,357)	(5,383)	—	—	(409)	(2,874)	—	(73,621)
—	(5)	(9)	(18,157)	(21,312)	(31,114)	(510,452)	(137,535)	(731,891)
14	1	3	2,836	366	480	32,391	2,597	40,678
—	(6)	(191)	(9)	—	—	(11,247)	—	(13,107)
88	103	(51)	1,469	(1,781)	173	(80,506)	5,448	(57,645)
(4)	(8)	(18)	—	—	—	—	—	130
(42)	—	—	—	—	—	—	—	57
—	—	—	—	—	—	—	—	36
—	—	(10)	—	—	—	—	—	(2,285)
—	—	—	—	—	—	—	—	79
(46)	(8)	(28)	—	—	—	—	—	(1,983)
—	—	(1)	—	—	—	—	—	(1,059)
(1)	(7)	(203)	—	—	—	(94)	—	(5,593)
—	—	(6)	—	—	—	—	—	(7,091)
(1)	(7)	(210)	—	—	—	(94)	—	(13,743)
—	—	299	—	25,263	1,179,648	8,573	6,337	1,224,274
(20)	(33)	—	(2,133)	(28,587)	(1,179,900)	—	(13,057)	(1,225,045)
—	—	—	133	2,044	79	1,222	615	4,162
—	—	—	—	—	—	—	(31)	(31)
—	—	—	—	—	—	—	—	1
(20)	(33)	299	(2,000)	(1,280)	(173)	9,795	(6,136)	3,361
21	55	10	(531)	(3,061)	—	(70,805)	(688)	(70,010)
13	42	224	1,816	9,736	(2)	98,892	12,949	131,839
$ 34	$ 97	$ 234	$ 1,285	$ 6,675	$ (2)	$ 28,087	$ 12,261	$ 61,829
$ 35	$ (214)	$ (1,364)	$ 772	$ (649)	$ (41)	$ (84,054)	$ 5,062	$ (105,543)
17	9	207	—	—	—	90	—	24,213
—	—	—	46	—	22	(3,901)	11	2,354
2	—	—	—	—	—	—	—	993
—	(92)	(235)	—	—	—	(101)	—	(3,228)
—	—	—	—	—	—	(6)	—	(6)
34	1	85	113	—	213	2,329	(561)	2,557
—	(3)	(5)	—	—	—	—	—	(27)
—	—	—	(2)	—	(21)	373	736	1,036
—	—	—	540	(1,132)	—	3,916	200	3,524
—	3	—	—	—	—	1	—	(82)
—	31	115	—	—	—	—	—	1,437
—	338	1,044	—	—	—	713	—	13,719
—	30	102	—	—	—	134	—	1,408
$ 88	$ 103	$ (51)	$ 1,469	$ (1,781)	$ 173	$ (80,506)	$ 5,448	$ (57,645)
$ —	$ —	$ 36	$ —	$ —	$ —	$ —	$ —	$ 2,215
—	—	—	—	—	—	—	—	11
$ —	$ (1)	$ (1)	$ (126)	$ (2,080)	$ —	$ —	$ (498)	$ (2,773)
$ —	$ (1)	$ 35	$ (126)	$ (2,080)	$ —	$ —	$ (498)	$ (547)

*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan - Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan - Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System - Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust - Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Public Employees' Deferred Compensation Incentive (IRC 401a) Plan - Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan - Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust - Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust - Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property - Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions - Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance - Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program - Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution - Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2018
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2018
ASSETS							
Cash and Cash Equivalents	$ 3,467,893	$ 64,265	$ 539	$ 6,627	$ 495	$ 444	$ 3,540,263
Investments at Fair Value	8,380,576	155,305	2,306,943	109,095	626,248	1,546,339	13,124,506
Invested Securities Lending Collateral	—	—	133,616	—	—	—	133,616
Receivables:							
Accounts Receivable	99,352	3,149	15,530	30,569	152	455	149,207
Investment Income	48,791	904	6,383	—	—	—	56,078
Prepaid Expenses	44	1	—	—	—	—	45
Capital Assets:							
Land	262	5	84	—	—	—	351
Buildings	4,166	77	582	—	1	3	4,829
Equipment	1,376	26	216	—	5	13	1,636
Software	723	13	3,288	—	1	3	4,028
Accumulated Depreciation/ Amortization	(3,348)	(62)	(3,311)	—	(4)	(10)	(6,735)
Total Capital Assets, Net	3,179	59	859	—	3	9	4,109
Total Assets	11,999,835	223,683	2,463,870	146,291	626,898	1,547,247	17,007,824
DEFERRED OUTFLOWS OF RESOURCES	296	5	34	—	—	—	335
LIABILITIES							
Accounts Payable	173,890	3,222	8,789	266	18	45	186,230
Obligations under Repurchase Agreements	3,783,848	70,121	—	—	—	—	3,853,969
Securities Lending Obligation	—	—	138,841	—	—	—	138,841
Unearned Revenue	—	—	—	4,183	—	—	4,183
Claims Liability	—	—	—	11,908	—	—	11,908
Compensated Absences	674	12	—	—	—	—	686
Net OPEB Liability	7,140	132	1,545	—	—	—	8,817
Total Liabilities	3,965,552	73,487	149,175	16,357	18	45	4,204,634
DEFERRED INFLOWS OF RESOURCES	71	1	199	—	—	—	271
Net Position Restricted for Pension Benefits, OPEB, and Deferred Compensation	$ 8,034,508	$ 150,200	$ 2,314,530	$ 129,934	$ 626,880	$ 1,547,202	$ 12,803,254

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2018
Additions:							
Contributions:							
Employer	$ 379,558	$ 36,892	$ 204,955	$ 68,902	$ 35	$ —	$ 690,342
Plan Member	30,325	902	3,722	53,157	—	57,667	145,773
Other	3,297	—	3,147	35,501	62,191	1,463	105,599
Total Contributions	413,180	37,794	211,824	157,560	62,226	59,130	941,714
Investment Earnings:							
Increase (Decrease) in Appreciation of Assets	620,043	11,490	157,187	—	18,555	74,804	882,079
Interest and Dividends	60,757	1,126	70,727	4,679	12,771	37,152	187,212
Securities Lending Income	—	—	986	—	—	—	986
Other Income	157	3	—	—	—	—	160
Total Investment Earnings	680,957	12,619	228,900	4,679	31,326	111,956	1,070,437
Less Investment Expenses:							
Investment Activity Expense	(102,074)	(1,891)	(30,487)	—	—	—	(134,452)
Securities Lending Expense	—	—	(793)	—	—	—	(793)
Total Investment Expense	(102,074)	(1,891)	(31,280)	—	—	—	(135,245)
Net Investment Earnings (Loss)	578,883	10,728	197,620	4,679	31,326	111,956	935,192
Cost Reimbursement/ Miscellaneous	539	10	—	—	755	1,900	3,204
Total Additions	992,602	48,532	409,444	162,239	94,307	172,986	1,880,110
Deductions:							
Benefits	818,108	35,651	259,059	150,606	48,824	—	1,312,248
Administrative Expenses	10,024	186	4,348	7,142	788	2,828	25,316
Program Distributions	5,503	5	—	—	—	81,358	86,866
Inactive-vested Buyout Payments	61,041	—	—	—	—	—	61,041
Service Transfer Payments	2,060	—	—	—	—	—	2,060
Depreciation/Amortization	—	—	346	—	—	1	347
Total Deductions	896,736	35,842	263,753	157,748	49,612	84,187	1,487,878
Change in Net Position	95,866	12,690	145,691	4,491	44,695	88,799	392,232
Net Position - Beginning of Year	7,938,642	137,510	2,168,839	125,443	582,185	1,458,403	12,411,022
Net Position - End of Year	$ 8,034,508	$ 150,200	$ 2,314,530	$ 129,934	$ 626,880	$ 1,547,202	$ 12,803,254

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2018
(In Thousands of Dollars)

	Alternative Care Trust	Johnson-Travis Memorial Trust	Unclaimed Property	Totals June 30, 2018
ASSETS				
Cash and Cash Equivalents	$ 187	$ 305	$ 12,392	$ 12,884
Investments at Fair Value	2,859	606	21,575	25,040
Assets Held in Escheat	—	—	12,653	12,653
Account Receivables	26	—	—	26
Interest Receivable	11	2	—	13
Inventories	—	—	1	1
Capital Assets:				
Equipment	—	—	65	65
Software	—	—	99	99
Less: Accumulated Depreciation/Amortization	—	—	(128)	(128)
Total Capital Assets, Net	—	—	36	36
Total Assets	3,083	913	46,657	50,653
DEFERRED OUTFLOWS OF RESOURCES	—	—	524	524
LIABILITIES				
Accounts Payable	926	—	20	946
Accrued Payroll	—	—	24	24
Compensated Absences	—	—	44	44
Net OPEB Liability	—	—	550	550
Net Pension Liability	—	—	1,276	1,276
Total Liabilities	926	—	1,914	2,840
DEFERRED INFLOWS OF RESOURCES	—	—	29	29
NET POSITION				
Net Position Restricted for Other Purposes	$ 2,157	$ 913	$ 45,238	$ 48,308

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Alternative Care Trust	Johnson-Travis Memorial Trust	Unclaimed Property	Totals June 30, 2018
Additions:				
Increase (Decrease) in Appreciation of Assets	$ (9)	$ (10)	$ (690)	$ (709)
Interest	58	13	717	788
Total Investment Earnings	49	3	27	79
Unclaimed Property	—	—	42,692	42,692
Cost Reimbursement/Miscellaneous	11,433	—	244	11,677
Total Additions	11,482	3	42,963	54,448
Deductions:				
Administrative Expenses	—	—	2,389	2,389
Program Distributions	11,865	—	43,734	55,599
Depreciation/Amortization	—	—	39	39
Total Deductions	11,865	—	46,162	58,027
Change in Net Position	(383)	3	(3,199)	(3,579)
Net Position - Beginning	2,540	910	48,437	51,887
Net Position - Ending	$ 2,157	$ 913	$ 45,238	$ 48,308

STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2018
(In Thousands of Dollars)

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2018
ASSETS					
Cash and Cash Equivalents	$ 36	$ 52	$ 69,892	$ 20,563	$ 90,543
Investments at Fair Value	63	91	599,583	15	599,752
Receivables:					
Accounts Receivable	6,164	—	510,007	—	516,171
Interest Receivable	—	—	1,076	—	1,076
Total Assets	$ 6,263	$ 143	$ 1,180,558	$ 20,578	$ 1,207,542
LIABILITIES					
Accounts Payable	$ —	$ —	$ 36	$ —	$ 36
Due to Other Entities	6,263	143	1,173,389	—	1,179,795
Due to Individuals	—	—	7,133	20,578	27,711
Total Liabilities	$ 6,263	$ 143	$ 1,180,558	$ 20,578	$ 1,207,542

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
SOCIAL SECURITY CONTRIBUTIONS				
ASSETS				
Cash and Cash Equivalents	$ 25	$ 152,875	$ 152,864	$ 36
Investments at Fair Value	77	63	77	63
Accounts Receivable	6,241	6,164	6,241	6,164
Total Assets	$ 6,343	$ 159,102	$ 159,182	$ 6,263
LIABILITIES				
Due to Other Entities	$ 6,343	$ 463,744	$ 463,824	$ 6,263
MISSOURI STATE EMPLOYEES' VOLUNTARY LIFE INSURANCE				
ASSETS				
Cash and Cash Equivalents	$ 36	$ 3,652	$ 3,636	$ 52
Investments at Fair Value	113	91	113	91
Total Assets	$ 149	$ 3,743	$ 3,749	$ 143
LIABILITIES				
Due to Other Entities	$ 149	$ 3,688	$ 3,694	$ 143
PROGRAM				
ASSETS				
Cash and Cash Equivalents	$ 91,203	$ 8,012,518	$ 8,033,829	$ 69,892
Investments at Fair Value	543,186	525,055	468,658	599,583
Receivables:				
Accounts Receivable	438,574	83,281	11,848	510,007
Interest Receivable	347	4,998	4,269	1,076
Total Assets	$ 1,073,310	$ 8,625,852	$ 8,518,604	$ 1,180,558
LIABILITIES				
Accounts Payable	$ 33	$ 415	$ 412	$ 36
Due to Other Entities	1,063,309	8,615,376	8,505,296	1,173,389
Due to Individuals	9,968	20,845	23,680	7,133
Total Liabilities	$ 1,073,310	$ 8,636,636	$ 8,529,388	$ 1,180,558
INSTITUTION				
ASSETS				
Cash and Cash Equivalents	$ 17,151	$ 164,886	$ 161,474	$ 20,563
Investments at Fair Value	157	$ 1	143	15
Total Assets	$ 17,308	$ 164,887	$ 161,617	$ 20,578
LIABILITIES				
Due to Individuals	$ 17,308	$ 164,887	$ 161,617	$ 20,578
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 108,415	$ 8,333,931	$ 8,351,803	$ 90,543
Investments at Fair Value	543,533	525,210	468,991	599,752
Receivables:				
Accounts Receivable	444,815	89,445	18,089	516,171
Interest Receivable	347	4,998	4,269	1,076
Total Assets	$ 1,097,110	$ 8,953,584	$ 8,843,152	$ 1,207,542
LIABILITIES				
Accounts Payable	$ 33	$ 415	$ 412	$ 36
Due to Other Entities	1,069,801	9,082,808	8,972,814	1,179,795
Due to Individuals	27,276	185,732	185,297	27,711
Total Liabilities	$ 1,097,110	$ 9,268,955	$ 9,158,523	$ 1,207,542

*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board - Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority - Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation - Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Wine and Grape Board - Accounts for moneys derived from the privilege of selling wine to be used for marketing development in developing programs for growing, selling, and marketing of grape products grown in Missouri.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
June 30, 2018
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2018
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 11,102	$ 412	$ 11,984	$ 295	$ 23,793
Investments	14,026	249	26,432	514	41,221
Accounts Receivable, Net	1,663	1	—	—	1,664
Interest Receivable	169	—	412	3	584
Inventories	—	—	—	2	2
Restricted Assets:					
Cash and Cash Equivalents	—	567	—	—	567
Investments	—	15,339	—	—	15,339
Interest Receivable	—	13	—	—	13
Loan Receivable	—	—	2,967	—	2,967
Prepaid Items	369	—	—	—	369
Loans Receivable	236	138	—	—	374
Total Current Assets	27,565	16,719	41,795	814	86,893
Non-Current Assets:					
Investments	—	—	44,634	—	44,634
Loans Receivable	25,386	156	—	—	25,542
Restricted Assets:					
Cash and Cash Equivalents	11,632	—	—	—	11,632
Investments	4,989	—	—	—	4,989
Loans Receivables	—	—	21,857	—	21,857
Capital Assets:					
Construction in Progress	857	—	—	—	857
Land	7,220	—	—	—	7,220
Buildings	78,710	—	—	—	78,710
Equipment	438	—	—	41	479
Software & Misc Intangible Assets	23	—	—	3	26
Less Accumulated Depreciation/Amortization	(21,286)	—	—	(28)	(21,314)
Total Non-Current Assets	107,969	156	66,491	16	174,632
Total Assets	135,534	16,875	108,286	830	261,525
DEFERRED OUTFLOWS OF RESOURCES	859	211	—	280	1,350
LIABILITIES					
Current Liabilities:					
Accounts Payable	162	50	1	4	217
Accrued Payroll	—	—	—	12	12
Interest Payable	29	13	—	—	42
Due to Primary Government	—	250	—	2	252
Compensated Absences	30	4	—	18	52
Bonds and Notes Payable	223	—	—	—	223
Total Current Liabilities	444	317	1	36	798
Non-Current Liabilities:					
Advance from Primary Government	—	267	—	—	267
Unearned Revenue	789	—	—	—	789
Deposits and Reserves	11,773	—	—	—	11,773
Compensated Absences	48	—	—	10	58
Bonds and Notes Payable	16,929	—	—	—	16,929
Net Pension Liability	1,323	473	—	659	2,455
Net OPEB Liability	—	200	—	284	484
Total Non-Current Liabilities	30,862	940	—	953	32,755
Total Liabilities	31,306	1,257	1	989	33,553
DEFERRED INFLOWS OF RESOURCES	42	94	—	40	176
NET POSITION					
Net Investment in Capital Assets	48,810	—	—	16	48,826
Restricted for:					
Other Purposes	6,858	15,919	77,807	—	100,584
Unrestricted	49,377	(184)	30,478	65	79,736
Total Net Position	$ 105,045	$ 15,735	$ 108,285	$ 81	$ 229,146

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2018
Operating Revenues:					
Licenses, Fees, and Permits	$ 1,564	$ 122	$ 1	$ —	$ 1,687
Interest on Receivables	918	—	936	—	1,854
Leases and Rentals	5,988	—	—	—	5,988
Cost Reimbursement/Miscellaneous	271	—	—	15	286
Total Operating Revenues	8,741	122	937	15	9,815
Operating Expenses:					
Personal Service	892	329	20	507	1,748
Operations	2,030	56	9	1,533	3,628
Specific Programs	—	591	—	1	592
Depreciation/Amortization	2,048	—	—	8	2,056
Other Charges	62	—	1	36	99
Total Operating Expenses	5,032	976	30	2,085	8,123
Operating Income (Loss)	3,709	(854)	907	(2,070)	1,692
Non-Operating Revenues (Expenses):					
Contributions and Intergovernmental	—	4,462	—	1,830	6,292
Investment Earnings:					
Increase (Decrease) in Fair Value of Investments	—	—	(601)	(1)	(602)
Interest	256	135	1,246	14	1,651
Interest Expense	(597)	(17)	—	—	(614)
Miscellaneous Revenues (Expenses)	1,492	—	(59)	—	1,433
Total Non-Operating Revenues (Expenses)	1,151	4,580	586	1,843	8,160
Change in Net Position	4,860	3,726	1,493	(227)	9,852
Total Net Position - Beginning	100,185	12,009	106,792	308	219,294
Total Net Position - Ending	$ 105,045	$ 15,735	$ 108,285	$ 81	$ 229,146

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2018
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	Totals June 30, 2018
Cash Flows from Operating Activities:					
Receipts from Customers and Users	$ 7,977	$ 121	$ 1,252	$ —	$ 9,350
Loans to Outside Entities	—	323	3,269	—	3,592
Payments to Vendors and Suppliers	(2,270)	(49)	(11)	(1,531)	(3,861)
Payments for Employees	(772)	(265)	(20)	(433)	(1,490)
Payments Made for Program Expense	—	(591)	—	(1)	(592)
Net Payments/Receipts for Tax Credit Projects	(3,076)	—	—	—	(3,076)
Other Receipts	—	—	—	15	15
Other Payments	—	—	(1)	(36)	(37)
Net Cash Provided (Used) by Operating Activities	1,859	(461)	4,489	(1,986)	3,901
Cash Flows from Non-Capital Financing Activities:					
Loans Receivable Principal Receipts	565	—	—	—	565
Loans Receivable Issuance	(396)	—	—	—	(396)
Due to/from Primary Government	—	(311)	—	—	(311)
Advance to/from Primary Government	—	(250)	—	—	(250)
Contributions and Intergovernmental	—	4,462	—	1,830	6,292
Net Cash Provided (Used) by Non-Capital Financing Activities	169	3,901	—	1,830	5,900
Cash Flows from Capital and Related Financing Activities:					
Interest Expense	(598)	(11)	—	—	(609)
Purchases and Construction of Capital Assets	(781)	—	—	—	(781)
Principal Payments on Capital Debt	(2,544)	—	—	—	(2,544)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,923)	(11)	—	—	(3,934)
Cash Flows from Investing Activities:					
Proceeds from Investment Maturities	18,894	—	37,967	209	57,070
Purchase of Investments	(25,977)	(3,678)	(57,272)	—	(86,927)
Interest	193	156	1,246	13	1,608
Investment Fees	—	—	(59)	—	(59)
Net Cash Provided (Used) by Investing Activities	(6,890)	(3,522)	(18,118)	222	(28,308)
Net Increase (Decrease) in Cash	(8,785)	(93)	(13,629)	66	(22,441)
Cash and Cash Equivalents, Beginning of Year	31,519	1,072	25,613	229	58,433
Cash and Cash Equivalents, End of Year	$ 22,734	$ 979	$ 11,984	$ 295	$ 35,992
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	$ 3,709	$ (854)	$ 907	$ (2,070)	$ 1,692
Depreciation/Amortization Expense	2,048	—	—	8	2,056
Changes in Assets and Liabilities:					
Accounts Receivable	(236)	(1)	—	—	(237)
Interest Receivable	60	—	315	—	375
Inventories	—	—	—	(1)	(1)
Deferred Outflows of Resources	(82)	70	—	11	(1)
Prepaid Items	(130)	—	—	—	(130)
Loans Receivable	—	323	3,269	—	3,592
Accounts Payable	(8)	7	(2)	1	(2)
Accrued Payroll	—	—	—	(3)	(3)
Deposit and Reserve	(3,660)	—	—	—	(3,660)
Compensated Absences	—	—	—	(2)	(2)
Unearned Revenue	(44)	—	—	—	(44)
Net Pension Liability	199	(84)	—	42	157
Net OPEB Liability	—	(2)	—	(4)	(6)
Deferred Inflows of Resources	3	80	—	32	115
Net Cash Provided (Used) by Operating Activities	$ 1,859	$ (461)	$ 4,489	$ (1,986)	$ 3,901
Non-Cash Investing Activities:					
Increase (Decrease) in Fair Value of Investments	$ —	$ —	$ (601)	$ (1)	$ (602)
Net Non-Cash Investing Activities	$ —	$ —	$ (601)	$ (1)	$ (602)

*The **Statistical Section** presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

STATE OF MISSOURI
STATISTICAL SECTION
June 30, 2018

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This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends
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Sources: Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.

STATE OF MISSOURI
NET POSITION BY COMPONENT
FISCAL YEARS 2009-2018
(In Thousands of Dollars)

	2018	2017*	2016	2015	2014
Governmental Activities					
Net Investment in Capital Assets	30,336,702	$ 29,793,477	$ 29,255,865	$ 28,791,258	$ 28,485,327
Restricted	4,062,810	4,103,890	4,348,001	3,269,480	3,790,165
Unrestricted	(7,922,530)	(7,606,967)	(5,465,559)	(4,292,710)	(5,501,188)
Total Governmental Activities Net Position	$ 26,476,982	$ 26,290,400	$ 28,138,307	$ 27,768,028	$ 26,774,304
Business-Type Activities					
Net Investment in Capital Assets	$ 127,209	$ 115,327	$ 98,320	$ 55,669	$ 52,901
Restricted	5,616	7,239	6,104	4,588	4,889
Unrestricted	849,174	762,633	677,470	420,995	183,705
Total Business-Type Activities Net Position	$ 981,999	$ 885,199	$ 781,894	$ 481,252	$ 241,495
Primary Government					
Net Investment in Capital Assets	$ 30,463,911	$ 29,908,804	$ 29,354,185	$ 28,846,927	$ 28,538,228
Restricted	4,068,426	4,111,129	4,354,105	3,274,068	3,795,054
Unrestricted	(7,073,356)	(6,844,334)	(4,788,089)	(3,871,715)	(5,317,483)
Total Primary Government Net Position	$ 27,458,981	$ 27,175,599	$ 28,920,201	$ 28,249,280	$ 27,015,799

Continues Below

	2013	2012	2011	2010	2009
Governmental Activities					
Net Investment in Capital Assets	$ 28,166,290	$ 27,873,493	$ 26,595,552	$ 25,850,787	$ 26,247,223
Restricted	3,788,299	3,898,340	4,339,603	3,907,120	3,537,444
Unrestricted	(1,216,048)	(1,865,908)	(1,159,743)	(940,675)	(1,260,231)
Total Governmental Activities Net Position	$ 30,738,541	$ 29,905,925	$ 29,775,412	$ 28,817,232	$ 28,524,436
Business-Type Activities					
Net Investment in Capital Assets	$ 52,217	$ 50,081	$ 50,291	$ 45,990	$ 48,442
Restricted	5,630	9,675	6,303	7,949	6,771
Unrestricted	(117,891)	(344,734)	(485,576)	(437,995)	(1,050)
Total Business-Type Activities Net Position	$ (60,044)	$ (284,978)	$ (428,982)	$ (384,056)	$ 54,163
Primary Government					
Net Investment in Capital Assets	$ 28,218,507	$ 27,923,574	$ 26,645,843	$ 25,896,777	$ 26,295,665
Restricted	3,793,929	3,908,015	4,345,906	3,915,069	3,544,215
Unrestricted	(1,333,939)	(2,210,642)	(1,645,319)	(1,378,670)	(1,261,281)
Total Primary Government Net Position	$ 30,678,497	$ 29,620,947	$ 29,346,430	$ 28,433,176	$ 28,578,599

*Fiscal year 2017 amounts have been restated.

STATE OF MISSOURI
CHANGES IN NET POSITION
FISCAL YEARS 2009-2018
(In Thousands of Dollars)

Governmental Activities:	2018	2017*	2016	2015
Expenses				
General Government	$ 1,265,879	$ 1,176,204	$ 1,081,421	$ 1,064,771
Education	7,053,441	7,086,927	6,902,930	6,680,646
Natural and Economic Resources	1,079,319	1,074,411	1,039,408	910,502
Transportation and Law Enforcement	1,974,299	2,157,349	1,913,379	1,861,116
Human Services	14,339,906	13,682,277	13,086,606	12,800,735
Interest on Debt (Excluding Direct Expense)	120,206	128,108	138,426	139,112
Total Expenses	25,833,050	25,305,276	24,162,170	23,456,882
Program Revenues				
Charges for Services:				
General Government	589,009	671,875	579,457	581,008
Transportation and Law Enforcement	227,737	228,039	230,685	228,093
Human Services	559,855	498,348	475,055	503,290
Other Activities	325,483	343,363	327,275	327,169
Operating Grants and Contributions	10,812,026	10,403,733	10,178,230	9,960,965
Capital Grants and Contributions	1,020,695	923,748	917,255	838,354
Total Program Revenues	13,534,805	13,069,106	12,707,957	12,438,879
Total Governmental Activities Net Program (Expense)	(12,298,245)	(12,236,170)	(11,454,213)	(11,018,003)
General Revenues and Other Changes in Net Position				
Taxes:				
Sales and Use	3,235,110	3,267,442	3,112,912	3,142,387
Individual Income	6,796,359	6,648,918	6,324,548	6,418,379
Corporate Income	403,771	392,438	411,139	490,131
County Foreign Insurance	272,497	254,685	218,083	222,828
Alcoholic Beverage	32,602	32,764	30,913	32,101
Corporate Franchise	1,968	2,490	17,197	29,982
Fuel	640,767	667,639	640,934	656,893
Miscellaneous Taxes	684,577	680,885	663,797	668,955
Grants and Contributions not Restricted to Specific Programs	59,236	62,173	58,971	76,276
Unrestricted Investment Earnings	26,309	12,626	26,468	24,721
Special Items	—	—	—	—
Extraordinary Items	—	—	—	—
Transfers	331,631	289,683	304,320	275,997
Total General Revenues and Other Changes in Net Position	12,484,827	12,311,743	11,809,282	12,038,650
Total Governmental Activities Change in Net Position	$ 186,582	$ 75,573	$ 355,069	$ 1,020,647
Business-Type Activities:				
Expenses				
State Lottery	$ 1,086,926	$ 1,070,595	$ 1,025,086	$ 873,502
Unemployment Compensation	294,271	318,782	312,295	391,508
Petroleum Storage Tank Insurance	21,298	19,392	16,205	14,705
State Fair Fees	4,878	4,726	4,369	4,390
State Parks and DNR	8,919	14,025	8,395	8,264
Historic Preservation	725	1,248	577	741
Missouri Veterans' Homes	123,094	115,078	100,771	92,501
Surplus Property	2,416	2,523	2,590	3,169
Revenue Information	12	12	14	13
Total Expenses	1,542,539	1,546,381	1,470,302	1,388,793
Program Revenues				
Charges for Services:				
State Lottery	1,418,409	1,361,996	1,327,852	1,144,604
Other Activities	56,010	61,228	56,005	59,199
Operating Grants and Contributions	466,750	553,591	677,118	693,657
Total Program Revenues	1,941,169	1,976,815	2,060,975	1,897,460
Total Business-Type Activities Net Program (Expense)	398,630	430,434	590,673	508,667
General Revenues and Other Changes in Net Position				
Unrestricted Investment Earnings	18,338	13,156	11,420	3,591
Adjustments to Claims Reserve	—	—	2,500	—
Special Items	—	—	—	—
Extraordinary Items	—	(153)	—	—
Capital Contributions	11,463	920	—	—
Transfers	(331,631)	(289,683)	(304,320)	(275,997)
Total General Revenues and Other Changes in Net Position	(301,830)	(275,760)	(290,400)	(272,406)
Total Business-Type Activities Change in Net Position	$ 96,800	$ 154,674	$ 300,273	$ 236,261
Total Primary Government Change in Net Position	$ 283,382	$ 230,247	$ 655,342	$ 1,256,908

*Fiscal year 2017 amounts have been restated

2014	2013	2012	2011	2010	2009
$ 1,030,327	$ 1,063,418	$ 1,029,012	$ 1,089,731	$ 1,129,030	$ 1,182,233
6,430,861	6,368,472	6,373,757	6,536,907	6,815,521	6,589,358
874,033	933,019	1,053,949	935,078	1,082,526	1,043,449
1,823,578	1,924,306	2,021,423	2,529,791	2,699,070	2,375,104
12,623,617	12,335,625	12,299,493	11,713,021	11,740,145	10,898,796
157,707	161,386	207,906	199,948	196,413	210,342
22,940,123	22,786,226	22,985,540	23,004,476	23,662,705	22,299,282
540,427	698,300	883,228	705,914	875,161	756,969
232,176	250,898	239,684	267,875	319,941	400,842
504,443	554,365	459,517	550,690	653,463	531,250
333,898	351,193	285,725	314,375	380,133	369,976
9,649,655	9,702,624	9,889,453	9,802,842	9,489,240	8,317,356
933,814	1,039,043	1,096,052	1,814,207	1,454,811	966,394
12,194,413	12,596,423	12,853,659	13,455,903	13,172,749	11,342,787
(10,745,710)	(10,189,803)	(10,131,881)	(9,548,573)	(10,489,956)	(10,956,495)
2,925,867	2,883,852	2,705,002	2,570,243	2,572,491	2,635,068
5,718,801	5,833,306	5,116,876	4,878,166	4,840,809	5,169,741
427,320	429,797	378,444	394,389	360,764	377,801
180,779	175,212	167,969	182,679	171,497	177,393
30,370	30,294	28,652	27,247	27,657	26,689
54,670	51,444	61,389	70,743	82,182	82,114
629,105	648,989	620,074	1,833	233	2,671
605,247	630,228	623,414	1,210,758	1,207,501	1,160,700
73,637	120,380	244,859	889,742	1,301,531	499,542
35,040	(15,858)	21,525	23,281	28,870	69,339
—	—	(120)	—	—	—
(132)	—	—	—	—	—
291,421	290,900	300,608	255,908	258,947	257,441
10,972,125	11,078,544	10,268,692	10,504,989	10,852,482	10,458,499
$ 226,415	$ 888,741	$ 136,811	$ 956,416	$ 362,526	$ (497,996)
$ 894,137	$ 876,290	$ 835,526	$ 755,410	$ 724,915	$ 726,106
568,787	858,697	1,280,157	1,714,276	2,216,078	1,292,531
13,244	18,101	22,171	13,940	13,925	17,186
4,419	3,968	3,963	3,700	3,843	4,303
9,417	9,179	10,659	12,278	9,042	14,211
334	388	340	509	1,145	714
97,674	97,012	76,598	76,033	70,884	62,378
2,528	3,017	3,065	2,293	2,542	1,759
—	32	72	1,199	1,513	5,345
1,590,540	1,866,684	2,232,551	2,579,638	3,043,887	2,124,533
1,171,580	1,156,235	1,109,108	1,011,055	984,187	981,431
57,836	57,009	56,538	55,153	56,659	60,015
999,516	1,172,524	1,507,428	1,725,481	1,823,732	967,324
2,228,932	2,385,768	2,673,074	2,791,689	2,864,578	2,008,770
638,392	519,084	440,523	212,051	(179,309)	(115,763)
2,029	(3,138)	4,312	(1,050)	2,533	10,152
17,223	—	—	—	—	—
—	—	(224)	—	—	—
—	—	—	—	—	—
—	35	—	—	—	—
(291,421)	(290,900)	(300,608)	(255,908)	(258,947)	(257,441)
(272,169)	(294,003)	(296,520)	(256,958)	(256,414)	(247,289)
$ 366,223	$ 225,081	$ 144,003	$ (44,907)	$ (435,723)	$ (363,052)
$ 592,638	$ 1,113,822	$ 280,814	$ 911,509	$ (73,197)	$ (861,048)

STATE OF MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEARS 2009-2018
(In Thousands of Dollars)

	2018	2017*	2016	2015	2014
General Fund					
Nonspendable	$ 48,944	$ 52,969	$ 58,712	$ 53,809	$ 50,504
Restricted	307,913	341,052	488,180	292,758	289,266
Committed	617,661	590,697	589,956	545,765	560,141
Assigned	86,705	154,634	78,096	158,390	73,625
Unassigned	457,634	294,901	238,735	349,901	244,821
Total General Fund	1,518,857	1,434,253	1,453,679	1,400,623	1,218,357
All Other Governmental Funds					
Nonspendable	95,439	97,723	97,027	1,243,039	1,170,054
Restricted	1,490,422	1,517,114	1,699,763	1,512,228	1,544,139
Committed	1,663,097	1,614,390	1,543,913	377,527	345,465
Assigned	410,186	422,122	430,901	425,256	400,668
Unassigned	—	(17,628)	—	—	—
Total All Other Governmental Funds	3,659,144	3,633,721	3,771,604	3,558,050	3,460,326
Total Fund Balances, Governmental Funds	$ 5,178,001	$ 5,067,974	$ 5,225,283	$ 4,958,673	$ 4,678,683

Continues Below

	2013	2012	2011	2010	2009
General Fund					
Nonspendable	$ 56,048	$ 61,207	$ 42,906	$ 44,158	$ —
Restricted	285,878	340,205	475,205	186,737	—
Committed	506,778	504,569	512,623	534,620	—
Assigned	67,277	63,484	59,783	51,734	—
Unassigned	530,431	195,193	325,123	423,227	—
Reserved	—	—	—	—	589,532
Unreserved	—	—	—	—	716,371
Total General Fund	1,446,412	1,164,658	1,415,640	1,240,476	1,305,903
All Other Governmental Funds					
Nonspendable	1,126,253	1,077,138	1,016,981	986,201	—
Restricted	1,636,550	1,745,287	2,137,789	2,021,223	—
Committed	337,874	291,723	284,455	219,557	—
Assigned	370,090	367,261	339,192	355,202	—
Reserved	—	—	—	—	1,218,019
Unreserved, Reported in:					
Special Revenue Funds	—	—	—	—	1,182,724
Capital Projects Funds	—	—	—	—	540,554
Permanent Funds	—	—	—	—	124
Total All Other Governmental Funds	3,470,767	3,481,409	3,778,417	3,582,183	2,941,421
Total Fund Balances, Governmental Funds	$ 4,917,179	$ 4,646,067	$ 5,194,057	$ 4,822,659	$ 4,247,324

*Fiscal year 2017 amounts have been restated.

STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2009-2018
(In Thousands of Dollars)

	2018	2017*	2016	2015
Revenues:				
Taxes	$ 12,151,078	$ 11,877,303	$ 11,550,222	$ 11,302,267
Licenses, Fees, and Permits	675,447	678,037	685,115	653,218
Sales	9,527	9,035	9,002	11,905
Leases and Rentals	157	158	71	497
Services	148,653	122,531	116,133	105,066
Contributions and Intergovernmental	11,712,774	11,395,032	11,157,654	10,871,669
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	(15,384)	(10,530)	5,975	2,006
Interest	60,189	34,080	25,534	29,911
Penalties and Unclaimed Properties	70,657	96,568	72,435	131,384
Cost Reimbursement/Miscellaneous	513,789	564,390	492,593	525,729
Total Revenues	25,326,887	24,766,604	24,114,734	23,633,652
Expenditures:				
Current:				
General Government	909,941	884,641	886,172	869,266
Education	7,031,232	7,071,710	6,893,120	6,673,331
Natural and Economic Resources	869,568	896,485	913,667	833,441
Transportation and Law Enforcement	1,483,225	1,473,797	1,475,500	1,558,694
Human Services	14,012,219	13,629,856	13,037,667	12,761,134
Capital Outlay:				
General Government	1,320	14,057	2,474	—
Education	106	348	29	—
Natural and Economic Resources	3,549	2,027	246	—
Transportation and Law Enforcement	854,707	712,716	690,269	714,550
Human Services	64,467	54,915	37,384	1,354
Debt Service:				
Principal	333,480	436,938	292,521	285,627
Interest	144,976	159,977	166,000	166,672
Bond Issuance Costs	356	336	755	831
Underwriter's Discount	985	972	1,231	2,260
Arbitrage	—	—	—	—
Total Expenditures	25,710,131	25,338,775	24,397,035	23,867,160
Excess Revenues (Expenditures)	(383,244)	(572,171)	(282,301)	(233,508)
Other Financing Sources (Uses):				
Proceeds from Notes/Capital Leases	6,934	1,542	14,782	1,819
Debt Issuance	—	—	—	—
Proceeds from General Obligation/Other Bonds	124,905	97,225	193,800	129,465
Issuance of Refunding Bonds	—	—	—	108,930
Payments to Escrow Agent	—	—	—	(121,020)
Bond Premium	9,751	5,877	17,810	18,622
Proceeds from Capital Asset Sale	18,034	20,305	18,394	11,137
Transfers In	342,979	297,229	310,842	285,468
Transfers Out	(9,177)	(5,598)	(6,010)	(9,547)
Total Other Financing Sources (Uses)	493,426	416,580	549,618	424,874
Net Change in Fund Balances	110,182	(155,591)	267,317	191,366
Increase (Decrease) in Reserve for Inventory	(155)	(1,716)	(707)	4,928
Net Change in Fund Balances	$ 110,027	$ (157,307)	$ 266,610	$ 196,294
Debt Service as a Percentage of Non-Capital Expenditures	1.94%	2.45%	1.96%	1.99%

*Fiscal year 2017 amounts have been restated.

2014	2013	2012	2011	2010	2009
$ 10,549,046	$ 10,557,831	$ 9,956,574	$ 9,398,840	$ 8,987,066	$ 9,503,743
654,416	647,233	647,130	630,944	637,078	657,725
12,308	10,261	8,827	10,131	8,917	10,301
480	1,212	313	665	934	448
111,280	115,219	119,076	155,498	243,998	244,557
10,652,830	10,860,366	11,230,111	12,500,062	12,265,891	9,763,754
6,737	(25,606)	6,392	(53)	1,734	(9,565)
50,251	27,839	33,068	34,496	44,954	103,068
74,642	112,951	51,591	54,812	60,284	48,730
507,763	687,609	745,602	662,070	963,030	739,288
22,619,753	22,994,915	22,798,684	23,447,465	23,213,886	21,062,049
844,854	884,342	886,309	883,953	889,467	952,780
6,419,231	6,351,934	6,363,447	6,525,986	6,809,217	6,582,393
831,495	856,133	934,767	832,855	974,260	894,815
1,350,588	1,406,509	1,627,620	1,758,410	1,814,485	1,515,903
12,447,706	12,162,029	12,320,259	11,627,776	11,632,371	10,829,000
34	8	—	1	5	—
—	—	—	—	—	—
—	—	—	—	—	—
852,832	963,001	1,115,457	1,253,100	1,409,557	1,308,229
—	—	—	—	4	306
256,221	216,017	212,483	242,497	227,307	219,496
187,123	189,920	208,518	225,858	209,428	191,684
1,545	920	606	1,552	8,101	1,278
4,075	2,423	2,074	437	—	—
—	—	—	42	374	583
23,195,704	23,033,236	23,671,540	23,352,467	23,974,576	22,496,467
(575,951)	(38,321)	(872,856)	94,998	(760,690)	(1,434,418)
1,400	712	1,776	6,300	6,675	26,317
—	—	—	—	1,085,000	142,735
—	—	—	—	—	—
995,555	441,690	163,145	312,960	—	—
(1,177,908)	(486,904)	(168,589)	(351,599)	—	—
195,638	48,276	7,944	40,468	30,631	2,835
13,867	19,310	16,864	14,703	12,938	11,087
304,688	312,595	300,699	255,959	259,810	258,568
(12,763)	(21,846)	(144)	—	(738)	(902)
320,477	313,833	321,695	278,791	1,394,316	440,640
(255,474)	275,512	(551,161)	373,789	633,626	(993,778)
153	(4,402)	4,135	(2,389)	(279)	(105)
$ (255,321)	$ 271,110	$ (547,026)	$ 371,400	$ 633,347	$ (993,883)
2.02%	1.85%	1.89%	2.14%	1.99%	1.96%

STATE OF MISSOURI
REVENUE BASE - TAXABLE SALES BY INDUSTRY
FISCAL YEARS 2009-2018

Taxable Sales by Industry

	2018*	2017	2016	2015	2014
Agricultural/Forestry, Fishing, and Other	$ 243,431,996	$ 259,105,220	$ 245,772,867	$ 240,000,494	$ 236,474,690
Mining	453,466,663	110,484,032	106,659,795	87,523,595	76,102,321
Construction	801,058,193	1,788,629,305	1,677,123,560	950,357,972	903,053,231
Manufacturing	4,543,245,262	4,758,144,850	4,686,174,181	4,512,551,497	4,452,723,181
Transportation and Public Utilities	7,431,439,993	7,991,327,737	7,941,221,199	8,150,393,880	8,296,512,631
Wholesale Trade	37,375,445,863	9,478,033,276	9,258,220,896	8,772,153,165	8,355,874,187
Retail Trade	26,306,855,209	52,013,596,266	50,710,170,965	48,945,156,057	46,883,720,342
Finance, Insurance, and Real Estate	2,244,925,706	675,498,078	639,535,606	459,394,721	428,174,408
Services	8,557,460,947	10,958,489,216	10,508,298,419	10,167,703,650	9,615,517,898
State and Local Government	248,500,694	137,361,580	130,923,934	149,553,253	196,281,904
Non-Classifiable	—	13,251,530	12,784,255	12,193,479	13,389,207
Total Taxable Sales	$ 88,205,830,526	$ 88,183,921,090	$ 85,916,885,677	$ 82,446,981,763	$ 79,457,824,000
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Continues Below

Taxable Sales by Industry

	2013	2012	2011	2010	2009
Agricultural/Forestry, Fishing, and Other	$ 215,327,746	$ 221,013,601	$ 201,234,995	$ 202,810,606	$ 209,980,903
Mining	72,364,854	74,803,209	73,001,501	85,194,876	88,867,589
Construction	837,805,800	861,403,612	794,578,753	786,022,254	889,561,095
Manufacturing	4,122,180,876	3,761,027,682	2,916,005,779	2,994,039,718	3,203,288,128
Transportation and Public Utilities	7,865,266,716	7,836,415,362	8,377,819,035	8,347,862,197	8,247,781,684
Wholesale Trade	8,201,088,643	8,205,030,046	7,636,707,697	5,708,391,048	7,019,606,804
Retail Trade	45,955,834,897	45,578,697,317	43,451,150,211	42,667,031,160	44,820,794,586
Finance, Insurance, and Real Estate	555,096,635	577,095,000	573,590,035	562,957,084	592,136,070
Services	9,242,131,446	9,239,885,195	8,712,983,898	8,676,719,865	8,648,622,385
State and Local Government	164,729,390	167,737,492	150,984,890	135,174,330	158,765,152
Non-Classifiable	19,041,853	15,869,773	13,130,346	14,230,874	21,079,516
Total Taxable Sales	$ 77,250,868,856	$ 76,538,978,289	$ 72,901,187,140	$ 70,180,434,012	$ 73,900,483,912
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Source: Missouri Department of Revenue

* During fiscal year 2018 the State replaced the Standard Industrial Classification System with the more consistent North American Industry Classification System to classify revenues.

STATE OF MISSOURI
REVENUE BASE - PERSONAL INCOME BY INDUSTRY
CALENDAR YEARS 2008-2017

Personal Income by Industry (In Thousands of Dollars)	2017	2016	2015	2014	2013
Farm Earnings	$ 1,062,184	$ 829,415	$ 722,021	$ 3,786,857	$ 1,626,591
Agricultural/Forestry, Fishing, and Other	424,552	457,108	451,862	394,686	397,546
Mining	241,988	320,915	345,512	450,247	531,506
Construction/Utilities	13,819,650	12,748,129	11,973,872	12,039,804	11,722,352
Manufacturing	21,229,515	20,542,795	20,483,723	19,405,898	18,638,481
Transportation and Public Utilities	7,189,504	6,957,284	6,937,566	6,632,242	6,641,733
Wholesale Trade	10,826,692	10,831,422	11,063,357	10,168,424	9,614,681
Retail Trade	11,749,093	11,785,062	11,618,585	11,353,713	11,045,743
Finance, Insurance, and Real Estate	17,761,199	15,456,673	15,873,119	14,637,085	13,981,286
Services	82,115,017	78,239,644	77,566,750	75,021,866	73,357,863
Federal, Civilian	5,843,242	5,677,270	5,566,826	5,370,947	5,170,204
Military	1,912,463	1,879,387	1,889,251	1,906,989	2,165,907
State and Local Government	22,264,323	22,256,414	21,860,748	21,611,208	21,013,029
Total Personal Income	$ 196,439,422	$ 187,981,518	$ 186,353,192	$ 182,779,966	$ 175,906,922
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Continues Below

Personal Income by Industry (In Thousands of Dollars)	2012	2011	2010	2009	2008
Farm Earnings	$ 1,257,121	$ 2,321,629	$ 1,523,983	$ 1,591,091	$ 2,376,908
Agricultural/Forestry, Fishing, and Other	319,736	297,657	333,875	276,120	303,227
Mining	533,997	504,777	395,522	388,211	502,316
Construction/Utilities	11,021,154	10,551,329	10,588,278	11,331,673	12,516,453
Manufacturing	18,223,989	17,303,819	16,746,171	17,442,057	20,134,090
Transportation and Public Utilities	6,329,830	5,957,783	5,732,126	5,809,413	6,293,608
Wholesale Trade	9,401,253	8,969,791	8,721,745	8,658,427	9,231,605
Retail Trade	10,981,844	10,654,925	10,506,522	10,416,435	10,570,173
Finance, Insurance, and Real Estate	13,577,510	12,587,314	12,244,442	11,816,812	11,670,581
Services	70,695,009	67,723,434	65,813,475	64,334,920	67,549,088
Federal, Civilian	5,326,901	5,399,812	5,440,528	5,151,679	5,351,539
Military	2,087,494	2,151,087	2,185,296	2,318,306	2,595,583
State and Local Government	20,951,836	20,783,859	21,026,890	20,830,621	18,813,044
Total Personal Income	$ 170,707,674	$ 165,207,216	$ 161,258,853	$ 160,365,765	$ 167,908,215
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Source: Bureau of Economic Analysis

STATE OF MISSOURI
PERSONAL INCOME TAX REVENUE
FISCAL YEARS 2009-2018

Personal Income Tax Revenue	2018	2017	2016	2015	2014
Personal Income Tax Revenue	$ 7,737,588,498	$ 7,331,004,490	$ 7,182,257,124	$ 6,904,280,506	$ 6,421,723,597
Personal Income (Federal AGI)	$ 304,938,141,965	$ 308,516,717,209	$ 295,120,344,327	$ 272,999,790,569	$ 286,579,465,435
Taxable Income	$ 228,943,859,159	$ 233,037,149,447	$ 223,319,685,253	$ 204,984,460,785	$ 215,915,208,076
Average Effective Rate:					
Federal Adjusted Gross	2.54%	2.38%	2.43%	2.53%	2.24%
Taxable Income	3.38%	3.15%	3.22%	3.37%	2.97%

Continues Below

Personal Income Tax Revenue	2013	2012	2011	2010	2009
Personal Income Tax Revenue	$ 6,374,093,816	$ 5,851,270,707	$ 5,641,812,271	$ 5,495,341,696	$ 5,949,266,333
Personal Income (Federal AGI)	$ 238,522,413,855	$ 232,336,289,876	$ 206,107,657,668	$ 214,909,582,160	$ 254,573,370,206
Taxable Income	$ 176,397,991,056	$ 170,827,410,945	$ 147,407,200,244	$ 124,489,765,954	$ 188,091,389,476
Average Effective Rate:					
Federal Adjusted Gross	2.67%	2.52%	2.74%	2.56%	2.34%
Taxable Income	3.61%	3.43%	3.83%	4.41%	3.16%

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

STATE OF MISSOURI
PERSONAL INCOME TAX RATES
FISCAL YEARS 2009-2018

Ranges of Tax Rates on the Portion of Taxable Income (In Thousands of Dollars)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated

Source: Missouri Department of Revenue

STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY
FISCAL YEARS 2009-2018

Sales Tax	2018*	%	2017	%	2016	%
Agricultural	$ 10,285,002	0.28%	$ 10,947,196	0.29%	$ 10,383,904	0.36%
Mining	19,158,966	0.51%	4,667,950	0.13%	4,506,376	0.16%
Construction	33,955,810	0.91%	75,569,588	2.03%	37,780,540	1.31%
Manufacturing	191,952,112	5.15%	201,031,620	5.40%	192,230,237	6.67%
Transportation & Utilities	313,978,340	8.43%	337,633,597	9.06%	330,960,635	11.49%
Wholesale Trade	1,579,112,588	42.37%	400,446,906	10.75%	261,477,270	9.07%
Retail Trade	1,111,464,633	29.82%	2,197,574,442	58.98%	1,568,702,724	54.44%
Finance, Insurance, & Real Estate	94,848,111	2.55%	28,539,794	0.77%	25,446,129	0.88%
Services	361,552,725	9.70%	462,996,169	12.43%	443,975,608	15.41%
Government	10,499,154	0.28%	5,803,527	0.16%	5,531,536	0.19%
Non-Classifiable	—	—%	559,877	0.01%	540,135	0.02%
Total	$ 3,726,807,441	100.00%	$ 3,725,770,666	100.00%	$ 2,881,535,094	100.00%

	2015	%	2014	%	2013	%
Agricultural	$ 10,140,021	0.29%	$ 9,991,056	0.30%	$ 9,097,597	0.28%
Mining	3,697,872	0.11%	3,215,323	0.09%	3,057,415	0.09%
Construction	40,152,624	1.15%	38,153,999	1.14%	35,397,295	1.08%
Manufacturing	190,655,301	5.47%	188,127,554	5.60%	174,162,142	5.34%
Transportation & Utilities	344,354,141	9.89%	350,527,659	10.44%	332,307,519	10.18%
Wholesale Trade	370,623,471	10.64%	353,035,684	10.52%	346,495,995	10.62%
Retail Trade	2,067,932,843	59.37%	1,980,837,184	59.00%	1,941,634,024	59.49%
Finance, Insurance, & Real Estate	19,409,427	0.56%	18,090,369	0.54%	23,452,833	0.72%
Services	429,585,479	12.33%	406,255,631	12.10%	390,480,054	11.96%
Government	6,318,625	0.18%	8,292,910	0.25%	6,959,817	0.21%
Non-Classifiable	515,174	0.01%	565,694	0.02%	804,518	0.03%
Total	$ 3,483,384,978	100.00%	$ 3,357,093,063	100.00%	$ 3,263,849,209	100.00%

	2012	%	2011	%	2010	%
Agricultural	$ 9,337,825	0.29%	$ 8,502,179	0.27%	$ 8,568,748	0.29%
Mining	3,160,435	0.10%	3,084,313	0.10%	3,599,484	0.12%
Construction	36,394,303	1.13%	33,570,952	1.09%	33,209,440	1.12%
Manufacturing	158,903,420	4.91%	123,201,244	4.00%	126,498,178	4.27%
Transportation & Utilities	331,088,549	10.24%	353,962,854	11.49%	352,697,178	11.90%
Wholesale Trade	346,662,519	10.72%	322,650,900	10.48%	241,179,522	8.13%
Retail Trade	1,925,699,962	59.55%	1,835,811,096	59.60%	1,802,682,066	60.80%
Finance, Insurance, & Real Estate	24,382,264	0.75%	24,234,179	0.79%	23,784,937	0.80%
Services	390,385,149	12.07%	368,123,570	11.95%	366,591,414	12.36%
Government	7,086,909	0.22%	6,379,112	0.21%	5,711,115	0.19%
Non-Classifiable	670,498	0.02%	554,757	0.02%	601,254	0.02%
Total	$ 3,233,771,833	100.00%	$ 3,080,075,156	100.00%	$ 2,965,123,336	100.00%

	2009	%
Agricultural	$ 8,871,693	0.28%
Mining	3,754,656	0.12%
Construction	37,583,956	1.20%
Manufacturing	135,338,923	4.34%
Transportation & Utilities	348,468,776	11.16%
Wholesale Trade	296,578,387	9.50%
Retail Trade	1,893,678,571	60.65%
Finance, Insurance, & Real Estate	25,017,749	0.80%
Services	365,404,296	11.70%
Government	6,707,828	0.22%
Non-Classifiable	890,610	0.03%
Total	$ 3,122,295,445	100.00%

Source: Missouri Department of Revenue

* During fiscal year 2018 the State replaced the Standard Industrial Classification System with the more consistent North American Industry Classification System to classify revenues.

STATE OF MISSOURI
PERSONAL INCOME TAX FILERS/LIABILITY
FISCAL YEARS 2009 AND 2018

Personal Income*

	2018			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
$50,000 and under	3,177,244	70.55%	$ 1,276,461,262	19.25%
$50,000 - $100,000	925,166	20.54%	1,839,049,644	27.73%
$100,000 - $250,000	311,748	6.92%	1,507,949,420	22.74%
$250,000 - $1,000,000	72,328	1.61%	1,010,062,837	15.23%
$1,000,000 and over	17,027	0.38%	998,411,943	15.05%
Total	4,503,513	100.00%	$ 6,631,935,106	100.00%

	2009			
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
$50,000 and under	3,371,618	77.48%	$ 1,367,022,942	25.28%
$50,000 - $100,000	721,042	16.57%	1,455,417,015	26.92%
$100,000 - $250,000	193,932	4.46%	934,743,008	17.29%
$250,000 - $1,000,000	50,585	1.16%	743,407,593	13.75%
$1,000,000 and over	14,355	0.33%	906,184,388	16.76%
Total	4,351,532	100.00%	$ 5,406,774,946	100.00%

*Federal Adjusted Gross Income

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source: Missouri Department of Revenue

STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2009-2018
(In Thousands of Dollars Except Per Capita)

	2018	2017	2016	2015
Governmental Activities				
General Obligation Bonds	$ 104,695	$ 154,830	$ 208,880	$ 266,275
Other Bonds	2,807,240	2,943,825	3,207,400	3,226,430
Leasehold Revenue Bonds	25,775	27,310	28,770	30,170
Certificates of Participation	13,525	26,770	39,770	52,560
Capital Leases	40,660	45,736	61,846	51,729
Total Governmental Activities	$ 2,991,895	$ 3,198,471	$ 3,546,666	$ 3,627,164
Business-Type Activities				
Capital Leases	$ —	$ 128	$ 304	$ 477
Total Business-Type Activities	$ —	$ 128	$ 304	$ 477
Total Primary Government	$ 2,991,895	$ 3,198,599	$ 3,546,970	$ 3,627,641
Personal Income	$ 266,920,797	$ 261,547,770	$ 257,338,334	$ 252,482,438
Debt as a Percentage of Personal Income[1]	1.1%	1.2%	1.4%	1.4%
Debt Per Capita[1]	$ 489	$ 526	$ 583	$ 598
Legal Debt Margin Calculation for Fiscal Year 2016:				
General Obligation Bonds Authorized (Legislative Debt Limit)	$ 1,726,395			
Unforeseen Emergency or Casual Deficiency	1,000			
Less: General Obligation Issued	(1,489,494)			
Legal Debt Margin	$ 237,901			
Legal Debt Margin Summary by Fiscal Year:				
Legislative Debt Limit	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
Legal Debt Margin	$ 237,901	$ 237,901	$ 237,901	$ 237,901
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	13.78%	13.78%

[1] These ratios are calculated using personal income and population for the calendar year. See *Demographic Indicators* for personal income and population data.

2014	2013	2012	2011	2010	2009
$ 323,395	$ 378,150	$ 432,765	$ 487,090	$ 528,910	$ 600,075
3,303,700	3,562,775	3,735,920	3,880,975	4,060,855	3,102,685
31,515	32,995	32,780	33,880	34,935	35,955
65,160	76,910	76,910	76,910	87,550	96,235
66,270	75,535	78,455	103,543	97,423	113,147
$ 3,790,040	$ 4,126,365	$ 4,356,830	$ 4,582,398	$ 4,809,673	$ 3,948,097
$ 215	$ 284	$ 356	$ 66	$ 116	$ 210
$ 215	$ 284	$ 356	$ 66	$ 116	$ 210
$ 3,790,255	$ 4,126,649	$ 4,357,186	$ 4,582,464	$ 4,809,789	$ 3,948,307
$ 245,771,389	$ 235,153,679	$ 228,218,407	$ 218,778,293	$ 216,049,019	$ 223,548,498
1.5%	1.8%	1.9%	2.1%	2.2%	1.8%
$ 627	$ 685	$ 725	$ 764	$ 807	$ 666
$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395	$ 1,726,395
(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
$ 237,901	$ 237,901	$ 237,901	$ 237,901	$ 237,901	$ 237,901
13.78%	13.78%	13.78%	13.78%	13.78%	13.78%

STATE OF MISSOURI
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2009-2018
(In Thousands of Dollars)

Fiscal Year	Gross Revenues[1]	Less: Operating Expenses[2]	Net Available Revenues	Debt Service		Coverage[3]
				Principal	Interest	
	Missouri Road Fund					
2018	$ 2,000,651	$ 383,969	$ 1,616,682	$ 200,185	$ 89,422	5.6
2017	1,852,570	388,116	1,464,454	190,770	103,917	5.0
2016	1,831,126	372,800	1,458,326	168,470	111,751	5.2
2015	1,721,615	373,739	1,347,876	169,550	114,878	4.7
2014	1,773,033	348,537	1,424,496	162,050	130,641	4.9
2013	1,822,318	333,327	1,488,991	153,525	135,511	5.2
2012	1,761,382	342,240	1,419,142	133,190	140,202	5.2
2011	2,237,700	305,649	1,932,051	137,015	146,326	6.8
2010	1,760,497	281,320	1,479,177	88,285	128,851	6.8
2009	997,990	279,971	718,019	84,896	113,591	3.6

N/A = not available

[1] Revenues for Missouri Road Fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, revenue derived from motorists for their usage of the highways of the State, federal grants, and bond proceeds.

[2] Operating Expenses do not include depreciation/amortization.

[3] Coverage equals net available revenue divided by debt service.

Source: Missouri Department of Transportation

STATE OF MISSOURI
DEMOGRAPHIC INDICATORS
CALENDAR YEARS 2008-2017

	2017	2016	2015	2014	2013
Population					
Missouri (In Thousands)	6,114	6,093	6,084	6,064	6,044
Change	0.4%	0.1%	0.3%	0.3%	0.4%
National (In Thousands)	325,719	323,128	321,419	318,857	316,129
Change	0.7%	0.5%	0.8%	0.9%	0.7%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	$ 266,920,797	$ 261,547,770	$ 257,338,334	$ 252,482,438	$ 245,771,389
Change	2.1%	1.6%	1.9%	2.7%	4.5%
National					
(In Thousands of Dollars)	$ 16,413,550,863	$ 15,912,777,000	$ 15,463,981,000	$ 14,683,147,000	$ 14,151,427,000
Change	3.1%	2.9%	5.3%	3.8%	5.6%
Per Capita Personal Income					
Missouri	$ 43,661	$ 42,926	$ 42,300	$ 41,639	$ 40,663
Change	1.7%	1.5%	1.6%	2.4%	4.1%
National	$ 50,392	$ 49,246	$ 48,112	$ 46,049	$ 44,765
Change	2.3%	2.4%	4.5%	2.9%	4.9%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	3,051	3,112	3,114	3,058	3,018
Employed (In Thousands)	2,936	2,971	2,958	2,871	2,821
Unemployed (In Thousands)	115	141	156	187	197
Unemployment Rate	3.8%	4.5%	5.0%	6.1%	6.5%
National Unemployment Rate	4.4%	4.9%	5.3%	6.2%	7.4%

Continues Below

	2012	2011	2010	2009	2008
Population					
Missouri (In Thousands)	6,022	6,011	5,996	5,961	5,924
Change	0.2%	0.3%	0.6%	0.6 %	0.6%
National (In Thousands)	313,914	311,592	309,330	306,772	304,094
Change	0.7%	0.7%	0.8%	0.9 %	1.0%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	$ 235,153,679	$ 228,218,407	$ 218,778,293	$ 216,049,019	$ 223,548,498
Change	3.0%	4.3%	1.3%	(3.4)%	6.9%
National					
(In Thousands of Dollars)	$ 13,401,868,693	$ 12,949,905,000	$ 12,308,496,000	$11,916,808,000	$ 12,451,599,000
Change	3.5%	5.2%	3.3%	(4.3)%	4.6%
Per Capita Personal Income					
Missouri	$ 39,049	$ 37,969	$ 36,406	$ 36,243	$ 37,737
Change	2.8%	4.3%	0.4%	(4.0)%	6.2%
National	$ 42,693	$ 41,560	$ 39,791	$ 38,846	$ 40,947
Change	2.7%	4.4%	2.4%	(5.1)%	3.6%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	2,993	3,022	3,053	3,051	3,046
Employed (In Thousands)	2,785	2,767	2,767	2,768	2,861
Unemployed (In Thousands)	207	255	286	283	186
Unemployment Rate	6.9%	8.4%	9.4%	9.3 %	6.1%
National Unemployment Rate	8.1%	8.9%	9.6%	9.3 %	5.8%

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics

STATE OF MISSOURI
ECONOMIC INDICATORS
CALENDAR YEARS 2008-2017

	2017-18	2016-17	2015-16	2014-15	2013-14
School Enrollment (In Thousands)					
Elementary and Secondary Education	884	884	885	886	888
Higher Education - Private Institutions	87	92	93	95	90
Total Enrollment (In thousands)	971	976	978	981	978
% Change from Prior Year	(0.5)%	(0.2)%	(0.3)%	0.3%	(0.1)%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	19	19	19
Number of Students (FTE*)	55,418	57,568	57,247	61,671	65,773
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,242	1,226	1,273	1,276	1,325
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	115,374	119,127	121,827	121,358	118,669

Continues Below

	2012-13	2011-12	2010-11	2009-10	2008-09
School Enrollment (In Thousands)					
Elementary and Secondary Education	888	886	890	892	893
Higher Education - Private Institutions	91	98	95	93	89
Total Enrollment	979	984	985	985	982
% Change from Prior Year	(0.5)%	(0.1)%	0.0%	0.3%	0.0%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	19	20	19
Number of Students (FTE*)	67,721	70,964	70,320	65,034	56,365
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,236	1,161	1,133	1,116	976
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	118,055	117,609	114,655	112,539	108,159

*FTE is Full-Time Equivalent.

Sources: Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education

STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2008 AND 2017

2017

Employer	Number of Employees	Percent of Total State Employment
State of Missouri[1]	55,000 +	1.87%
Wal-Mart Associates, Inc.	25,000 +	0.85%
Mercy Health Systems	20,000-25,000	0.68%-0.85%
University of Missouri	20,000-25,000	0.68%-0.85%
Washington University	15,000-20,000	0.51%-0.68%
US Post Office	15,000-20,000	0.51%-0.68%
Boeing Corporation	10,000-15,000	0.34%-0.51%
Cerner Corporation	10,000-15,000	0.34%-0.51%
U.S. Department of Veterans Affairs	7,500-10,000	0.26%-0.34%
SSM Health Care	7,500-10,000	0.26%-0.34%
Barnes-Jewish Hospitals	7,500-10,000	0.26%-0.34%
Total	192,500-230,000	6.56%-7.83%
Total Missouri Employment		**2,936,126**

2008

Employer	Number of Employees	Percent of Total State Employment
State of Missouri[1]	63,000	2.23%
Wal-Mart Associates, Inc.	40,000-42,500	1.41% - 1.50%
University of Missouri	20,000 - 22,500	0.71% - 0.80%
US Post Office	17,500 - 20,000	0.62% - 0.71%
Washington University	12,500 - 15,000	0.44% - 0.53%
Boeing Corporation	10,000 - 12,500	0.35% - 0.44%
Schnuck Markets, Inc.	7,500 - 10,000	0.27% - 0.35%
Barnes-Jewish Hospitals	7,500 - 10,000	0.27% - 0.35%
U.S. Department of Defense	7,500 - 10,000	0.27% - 0.35%
City of St. Louis	7,500 - 10,000	0.27% - 0.35%
Total	193,000-215,500	6.84% - 7.61%
Total Missouri Employment		**2,829,289**

All figures are based on a calendar-year average.

[1]Number of state employees includes only full-time personnel and does not include college or university employees.

Sources: Missouri Economic Research and Information Center, State of Missouri CAFR-Fiscal Year 2009, State Employee Headcount report

STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2009-2018
FULL-TIME EQUIVALENTS*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Legislature	665	663	670	667	671	670	683	703	725	716
Judiciary	3,551	3,558	3,543	3,519	3,530	3,470	3,369	3,393	3,626	3,755
Public Defender	578	579	577	573	575	565	595	578	570	558
Governor	30	18	21	22	23	26	28	32	33	24
Lt. Governor	7	6	7	6	5	5	6	6	6	6
Secretary of State	220	217	235	233	228	244	244	253	261	272
State Auditor	111	109	108	113	113	111	116	116	119	124
State Treasurer	46	46	45	46	49	48	49	50	49	51
Attorney General	351	351	359	373	376	363	350	371	408	420
Office of Administration	1,859	1,907	1,881	1,871	1,933	2,132	2,161	2,139	2,040	2,091
Revenue	1,283	1,289	1,283	1,288	1,347	1,344	1,364	1,383	1,421	1,487
Total General Government	8,701	8,743	8,729	8,711	8,850	8,978	8,965	9,024	9,258	9,504
Education										
Elementary and Secondary Education	2,620	2,555	2,663	2,639	2,678	2,631	2,714	2,635	2,662	2,760
Higher Education	56	55	57	57	57	64	61	65	75	73
Total Education	2,676	2,610	2,720	2,696	2,735	2,695	2,775	2,700	2,737	2,833
Natural and Economic Resources										
Agriculture	483	476	495	495	464	456	467	535	617	494
Insurance, Financial Institutions and Professional Registration	733	762	770	765	762	759	755	744	734	741
Conservation	1,871	1,898	1,871	1,895	1,896	1,901	1,872	1,894	1,982	2,085
Economic Development	800	812	800	810	786	822	891	947	1,019	994
Labor and Industrial Relations	701	742	796	827	881	967	998	987	924	777
Natural Resources	1,842	1,981	2,023	1,974	2,075	2,047	2,042	1,934	1,903	2,121
Total Natural and Economic Resources	6,430	6,671	6,755	6,766	6,864	6,952	7,025	7,041	7,179	7,212
Transportation and Law Enforcement										
Transportation	5,471	5,545	5,444	5,591	5,502	5,410	5,804	6,399	6,970	6,969
Public Safety	5,449	5,316	5,240	5,193	5,220	5,320	5,309	5,281	5,336	5,412
Total Transportation and Law Enforcement	10,920	10,861	10,684	10,784	10,722	10,730	11,113	11,680	12,306	12,381
Human Services										
Health and Senior Services	1,825	1,831	1,825	1,830	1,793	1,798	1,753	1,706	1,826	1,927
Mental Health	7,836	7,728	7,605	7,742	8,076	8,101	8,089	8,256	8,961	9,613
Social Services	6,670	6,735	6,952	7,147	7,145	7,244	7,371	7,562	8,138	8,584
Corrections	10,568	10,866	10,929	11,051	11,069	10,880	10,864	10,990	11,175	11,364
Total Human Services	26,899	27,160	27,311	27,770	28,083	28,023	28,077	28,514	30,100	31,488
State Total	55,626	56,045	56,199	56,727	57,254	57,378	57,955	58,959	61,580	63,418

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan

STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2009-2018

	2018	2017	2016	2015
General Government				
Individual Income Tax Returns Processed (In Thousands)	3,103	3,060	3,098	3,058
Sales and Use Tax Returns Processed (In Thousands)	694	707	707	705
Driver Licenses Processed (In Thousands)	1,183	1,487	1,123	1,600
Motor Vehicle Registrations Processed (In Thousands)	4,221	3,770	3,993	4,479
Audit Reports Issued	155	147	135	143
Statewide Court Filings (In Thousands)	1,923	2,098	2,370	2,624
Archives Website Hit Secretary of State Web Page (In Thousands)	29,498	28,714	18,232	72,045
Checks Issued (In Thousands)	1,537	1,592	1,697	1,550
Unclaimed Property Returned (In Thousands)	$ 44,697	$ 44,369	$ 42,038	$ 41,720
Education				
High School Drop Out Rate	2.4%	2.4%	2.5%	2.5%
Accredited Elementary and Secondary School Districts*	512	512	518	507
Clients Achieving Employment after Receiving Vocational Rehabilitation Services	56.2%	60.1%	60.9%	61.7%
Student Loan Recovery Rate	25.5%	26.0%	23.3%	26.4%
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands)	$ 121,753	$ 129,623	$ 119,948	$ 111,342
Natural and Economic Resources				
Job Placement Rate of Unemployed Individuals that Registered on MissouriCareerSource Web Page	71.6%	64.9%	65.7%	60.7%
Insurance Policies Filed Electronically	100.0%	100.0%	99.7%	99.5%
Initial Unemployment Claims (In Thousands)	217	239	259	295
International Export Certificates Issued	7,619	8,110	6,773	7,926
Hunting License Holders (In Thousands)	596	603	607	610
Visitors to Missouri State Parks and Historic Sites (In Thousands)	21,559	21,273	19,205	18,568
Transportation and Law Enforcement				
Methamphetamine Labs Seized	8	11	7	70
State - Licensed Fire Safety Inspections	17,903	18,459	19,459	13,434
Buildings Served by Missouri Capitol Police	71	71	74	72
Alcohol Licenses Issued	32,972	32,319	31,404	31,400
Missouri Major Roads Rated in Good Condition	91.6%	90.0%	90.4%	89.2%
Difference Between Awarded and Actual Transportation Construction Costs	0.02%	0.1%	1.1%	0.6%
Human Services				
Medicaid Enrollees	971,143	983,835	982,776	944,257
Food Stamp Recipients	727,131	754,062	782,374	844,851
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,208	1,243	1,226	1,174
Incarcerated Offenders	31,726	32,537	32,837	32,284
Individuals Served in State Comprehensive Psychiatric Service Facilities	1,611	1,652	1,683	1,628

*Department of Elementary and Secondary Education presented no accreditation classifications to the Board of Education during fiscal year 2013. Charter schools are not included in the statistics.

Sources: State agencies

2014	2013	2012	2011	2010	2009
2,848	2,945	2,969	2,917	2,877	2,946
703	730	760	773	785	772
1,415	1,308	1,208	1,160	1,090	1,179
4,215	4,050	3,905	3,828	3,844	3,502
150	146	123	168	151	101
2,652	2,685	2,565	2,525	2,359	2,322
87,436	98,233	91,257	70,384	53,835	79,599
1,363	1,722	1,971	2,216	2,465	2,667
$ 40,042	$ 39,509	$ 38,239	$ 36,373	$ 35,014	$ 26,672
2.8%	3.0%	3.5%	4.0 %	4.1 %	3.9%
507		506	510	510	511
60.0%	62.7%	61.0%	56.0 %	61.0 %	67.1%
31.2%	34.2%	36.5%	30.0 %	28.2 %	30.5%
$ 107,413	$ 104,265	$ 97,077	$ 91,146	$ 98,593	$ 108,981
56.0%	55.4%	55.2%	58.2 %	57.9 %	64.0%
99.4%	99.4%	99.5%	96.0 %	96.0 %	94.7%
355	364	427	502	582	565
6,453	7,819	7,821	6,301	4,924	3,865
612	606	593	588	592	591
17,468	18,093	17,846	16,363	15,891	15,307
129	244	274	340	245	165
15,348	15,680	15,177	11,487	10,603	11,008
72	72	72	73	75	83
30,743	30,723	30,498	29,960	29,051	28,437
89.7%	88.5%	88.1%	85.8 %	86.5 %	83.4%
0.8%	0.5%	0.2%	(0.4)%	(1.9)%	1.1%
825,974	868,226	889,159	897,306	892,691	850,722
839,734	927,927	943,835	949,136	909,139	827,639
1,192	1,385	1,354	1,420	1,384	1,317
31,905	31,408	31,057	30,771	30,418	30,476
1,649	1,694	1,716	2,170	4,120	6,759

STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2009-2018

	2018	2017	2016	2015
General Government				
Parcels of Land	23	21	21	20
Land Improvements	70	61	61	59
Square Footage of Buildings	1,062,507	1,066,968	1,068,854	1,032,098
Equipment	41,961	39,396	36,159	34,548
Software	2,940	2,717	2,260	1,961
Education				
Parcels of Land	31	31	31	31
Land Improvements	55	55	56	54
Square Footage of Buildings	158,235	157,190	156,710	136,074
Equipment	4,212	4,249	4,357	5,039
Trademarks	1	1	1	1
Natural and Economic Resources				
Parcels of Land	888	880	847	835
Land Improvements	478	456	427	426
Temporary Easements	1	1	1	1
Square Footage of Buildings	583,682	582,846	582,847	574,076
Equipment	14,671	14,535	15,168	26,859
Software	96	91	80	68
State Parks and Historic Sites	91	91	88	87
State Conservation Areas	1,197	1,198	1,190	1,186
Transportation and Law Enforcement				
Parcels of Land	617	620	623	628
Land Improvements	495	486	476	474
Permanent Easements	719	674	638	593
Temporary Easements	593	542	654	797
Square Footage of Buildings	185,777	183,676	181,743	179,183
Equipment	72,869	72,030	67,114	67,103
Software	870	798	710	616
Miles of State Highway	33,859	33,856	33,873	33,892
State-Owned Bridges and Culverts	10,385	10,394	10,394	10,376
Highway Patrol Stations	9	9	9	9
Human Services				
Parcels of Land	80	81	81	81
Land Improvements	171	178	174	175
Square Footage of Buildings	920,530	916,936	917,901	926,098
Equipment	35,446	36,481	41,777	43,545
Software	89	86	82	70
Correctional Facilities	29	29	29	30

Source: State of Missouri capital asset records by agency.

2014	2013	2012	2011	2010	2009
20	20	20	20	20	21
58	50	40	38	38	37
1,035,704	1,014,621	1,006,449	1,013,314	1,011,732	1,015,214
35,055	36,050	35,651	35,316	35,333	36,813
1,625	826	293	213	168	88
31	31	31	31	31	31
54	54	46	43	43	32
136,203	140,159	136,465	136,465	133,494	135,230
6,286	6,175	6,102	5,984	5,911	6,031
1	1	1	1	—	—
826	826	826	825	824	823
408	386	328	324	323	325
1	1	1	1	1	—
575,485	602,174	611,550	616,729	622,181	622,285
34,028	35,159	35,064	36,097	36,881	38,807
57	51	36	20	12	3
87	87	85	85	85	85
1,189	1,197	1,193	1,196	1,179	1,169
650	682	790	805	819	831
439	420	349	307	264	245
548	467	382	254	221	—
867	875	833	961	1,086	—
181,880	180,140	175,664	175,138	164,119	164,119
66,095	65,813	66,994	67,649	67,959	67,100
529	429	358	202	146	—
33,890	33,885	33,845	33,702	33,639	33,676
10,371	10,364	10,405	10,405	10,335	10,249
9	9	9	9	9	9
81	81	83	83	83	84
173	168	161	157	154	130
924,164	919,900	900,749	924,380	932,827	952,117
44,712	46,221	50,229	63,442	70,684	78,543
59	32	28	13	10	7
30	30	30	30	30	30

Report Prepared by:

Financial Reporting Section

Jessica K. Prater, *CGFM, Manager*
Krista G. Porter, *Supervisor*
Megan Bruemmer, *Specialist*
Christina R. Evans, *Specialist*
Becky Howard, *Specialist*
Ruth Nzoiwu, *CGFM, Specialist*
Dipendra Paudel, *Specialist*
Andrea Polendo, *Specialist*
Sriparna Tarafdar, *Specialist*
Zheng Zeng*, Specialist*
Amanda Locke, *Manager*
Shawn P. McCauley, *CGFM, Supervisor*
Libbie D. Farrell, *Assistant Director*

Office of Missouri State Auditor

Nicole Galloway, CPA

Miller County

Report No. 2019-002
January 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Miller County

Financial Condition	The financial condition of the 911 Emergency and Jail Funds remains poor. The amount of restricted Capital Improvement Fund monies used to support the 911 Emergency and Jail Funds is significant. As a result, the Capital Improvement Fund may not have the monies needed to pay off outstanding debt.
Capital Improvement Sales Tax	Some capital improvement sales tax revenue may have been spent for purposes not allowable under state law. The county did not track transfers to the 911 Emergency or Jail Funds to ensure the funding was spent in accordance with state law.
County Collector's Controls and Procedures	The County Collector did not prepare bank reconciliations during the year ended February 28, 2018. Also, the County Collector did not prepare a monthly list of labilities for the bank accounts with liabilities.
Property Tax System	The County Collector is consistently not filing an annual settlement, one of his main responsibilities, which also violates state law. The County Clerk did not prepare the land and personal tax, back tax, or railroad and utility aggregate abstracts for 2014, 2015, 2016, or 2017. The county has not adequately restricted property tax system access.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. Controls and procedures over receipting and depositing need improvement. The Sheriff does not disburse fees monthly to the County Treasurer as required by state law. The Sheriff's office does not prepare a monthly list of liabilities of inmate balances for the 2 commissary accounts, and consequently, liabilities are not reconciled to the commissary's available cash balances and commissary net proceeds are not turned over to the county as required by state law. The Sheriff has not performed a physical inventory of seized property since 2015.
Senate Bill 40 Board's Controls and Procedures	The Senate Bill 40 Board did not advertise or obtain bids for the remodeling of the group home kitchen costing approximately $7,300. The SB40 Board awards gifts to employees in violation of the Missouri Constitution.
Sunshine Law	The County Commission did not always comply with the Sunshine Law.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's bank account had $5,346 of unidentified monies at December 31, 2017. The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks.

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair***

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Miller County
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Management Advisory Report - State Auditor's Findings

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NICOLE GALLOWAY, CPA
Missouri State Auditor

County Commission
and
Officeholders of Miller County

We have audited certain operations of Miller County in fulfillment of our duties under Section 29.230, RSMo. In addition, Stopp & VanHoy, Certified Public Accountants and Business Advisors, LLC, was engaged to audit the financial statements of Miller County for the 2 years ended December 31, 2017. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2017. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.

2. Evaluate the county's compliance with certain legal provisions.

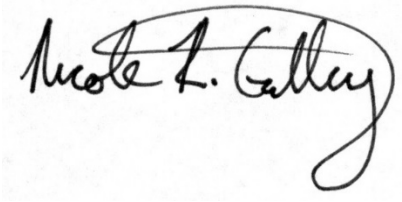
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Miller County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	James M. Applegate, MBA
Audit Staff:	Sherrye Lesmes
	Sacha Tejan
	Charles J. Miller

1. Financial Condition

The financial condition of the 911 Emergency (E911) and Jail Funds remains poor. The amount of restricted Capital Improvement (CI) Fund monies used to support the E911 and Jail Funds is significant. As a result, the CI Fund may not have the monies needed to pay off outstanding debt. The following table reflects the activity of these funds for 2017 according to the audited financial statements, as well as the projected ending cash balances for 2018 from the county's budget.

	E911 Fund		Jail Fund	
	Year Ended December 31,			
	2018 (budget)	2017 (actual)	2018 (budget)	2017 (actual)
Beginning balance	$ (7,018)*	(24,707)	1	(27,206)
Receipts	240,200	224,963	699,150	815,457
Transfers in	678,925	658,733	607,000	357,169
Disbursements	905,883	858,988	1,295,675	1,145,419
Ending balance	$ 6,224	1	10,476	1

* The beginning balance of the 2018 budget for the E911 Fund was not the same amount as the ending balance per the audited financial statements.

If the county had not made these transfers, the E911 and Jail Funds would have had negative balances. In addition, sales tax monies in the CI Fund are restricted for capital improvement use only and cannot legally be used to cover deficits in other funds (see MAR finding number 2).

It is essential that the County Commission continue to address the financial condition of the E911 and Jail Funds in both the immediate and long-term future. To ensure the financial condition of the funds is improved, the County Commission should reduce spending where possible, evaluate controls and management practices to ensure efficient use of county resources, maximize all sources of revenue, and closely monitor county budgets.

A similar condition was noted in our 3 prior audit reports. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County*, issued in June 2015, reported the status, at that time, as in progress.

Recommendation

The County Commission closely monitor and take necessary steps to improve the financial condition of the 911 Emergency and Jail Funds. The County Commission should also perform immediate and long-term planning and ensure receipts are maximized and disbursements closely monitored.

Auditee's Response

Due to declining tax revenues and increased equipment costs, the E911 Fund required support from the CI Fund. The Jail Fund experienced declining revenues because not all beds in the facility were filled and likewise required support from the CI Fund. The county has since increased the daily rate to

other counties for the boarding of prisoners, and is working to ensure revenues are maximized to improve the financial condition of the county.

2. Capital Improvement Sales Tax

Some capital improvement sales tax revenue may have been spent for purposes not allowable under state law. Approximately $2,000,000 was collected from the capital improvement sales tax during the year ended December 31, 2017.

Section 67.700, RSMo, allows counties to impose a sales tax for any capital improvement purpose designated by the county in a ballot submitted to voters, and requires the monies received from the sales tax to be deposited in a separate account and used solely for the designated purpose. Pursuant to this state law, Miller County voters extended a 1/2-cent capital improvement sales tax levy in August 2010, for a period of 20 years. The ballot language specified the tax monies were to be used "for the purpose of funding capital improvements to county-owned buildings and paying costs of maintenance and utilization thereof. . . ."

The county did not track transfers to the E911 or Jail Funds to ensure the funding was spent in accordance with state law. According to the county's audited financial statements, the county transferred $658,733 during the year ended December 31, 2017, from the CI Fund to the E911 Fund, and $357,169 to the Jail Fund to subsidize those funds. The County Commission orders authorizing these transfers stated the transfers were for utilization of the Justice Center, but did not demonstrate how the amounts were determined. The County Commissioners stated operating costs of the county courthouse and jail (including salaries of employees) are allowable utilization costs of capital improvement sales tax monies. However, no documentation was available supporting how these expenditures met the purposes allowed by the capital improvement sales tax ballot of August 3, 2010. As a result, it is not possible to determine if the county spent this money for allowable purposes.

A similar condition was noted in our prior audit report. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County*, issued in June 2015, reported the status, at that time, as partially implemented.

Recommendation

The County Commission implement procedures to ensure capital improvement sales tax monies are tracked and spent in accordance with state law, whether transferred or spent from the Capital Improvement Fund.

Auditee's Response

The County Clerk implemented earmarks for specific line items on the budget to track the expenditures. The purposes of the funding will be included in any future transfer documentation from the Capital Improvement Fund.

3. County Collector's Controls and Procedures

As noted in our 2 prior audit reports, controls and procedures for the County Collector's office need improvement. The County Collector did not prepare bank reconciliations during the year ended February 28, 2018. Also, the County Collector did not prepare a monthly list of liabilities for the bank accounts with liabilities. The County Collector indicated he reviews bank statements to ensure financial activity agrees with accounting records, but his review is not documented. The following table lists the bank balances at February 28, 2018.

Account	Bank Balance
Main account	$ 15,773,641
Tax maintenance account	105,579
Lodging tax account	463
Bankruptcy account	317
Tax collection account - Bank No. 1 (1)	65,053
Tax collection account - Bank No. 2 (1)	36,429
Tax collection account - Bank No. 3 (1)	24,823
Tax collection account - Bank No. 4 (1)	101,657
Total	$ 16,107,962

(1) The County Collector has agreements with local banks to accept tax payments during the months of November and December.

Without preparing monthly bank reconciliations and lists of liabilities, there is less assurance receipts and disbursements have been properly handled and recorded. In addition, accounting and bank errors may not be detected and corrected timely. Further, without regular identification and comparison of liabilities to the reconciled bank balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

Recommendation

The County Collector ensure monthly bank reconciliations and lists of liabilities are prepared, and reconcile the list of liabilities to the reconciled bank balance. Any differences should be promptly investigated.

Auditee's Response

The County Collector agrees and will endeavor to implement this recommendation.

4. Property Tax System

Controls and procedures of the property tax system need improvement. Property taxes and other monies collected by the County Collector totaled approximately $19.5 million during the year ended February 28, 2018.

4.1 Annual settlements

The County Collector is consistently not performing one of his main responsibilities, which also violates state law. The County Collector has not filed an annual settlement for the years ended February 28 (29), 2015, 2016,

2017, and 2018. The annual settlement for the year ended February 28, 2014, was not filed with the County Commission until March 26, 2015, after the issuance of our prior audit report.

Because the County Collector does not file annual settlements, the County Clerk cannot ensure taxes charged and credited to the County Collector each year are accounted for properly, and the County Clerk and County Commission cannot verify the County Collector's accounts.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements. Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector and the County Clerk to certify the amounts to the state. Such procedures are intended to establish checks and balances related to the collection of property taxes.

4.2 Aggregate abstracts

The County Clerk did not prepare the land and personal tax, back tax, or railroad and utility aggregate abstracts for 2014, 2015, 2016, or 2017. After we requested these reports, the County Clerk prepared the land and personal tax aggregate abstracts for 2016 and 2017 in May 2018, as well as the back tax aggregate abstracts for 2015 and 2016 in April 2018. However, land and personal tax abstracts for 2014 and 2015, the back tax abstracts for 2014 and 2017, and the railroad and utility tax aggregate abstracts for all 4 years have not been prepared.

Section 137.295, RSMo, requires the County Clerk to prepare these reports and forward them to the Department of Revenue and State Tax Commission upon completion of current and delinquent tax books.

4.3 Property tax system changes

The county has not adequately restricted property tax system access. The County Collector's office has access rights in the property tax system to make changes such as additions, abatements, and deletions, but can also make corrections or changes to information entered into the property tax system. Because the County Collector is responsible for collecting tax monies, the ability of personnel within this office to make changes to the property tax system represents a significant weakness in internal controls. Good internal controls require the County Collector and other office personnel not have access rights allowing alteration or deletion of information.

The County Collector and his Deputy Collector indicated the data systems used by the County Collector's and the County Assessor's offices do not interface, so it is necessary for the County Collector's office to make changes

to the tax statements. Although all changes are printed by the County Assessor and sent to the County Clerk's office for review, neither the County Clerk nor the County Commission reviews the changes made in the property tax system.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, an independent reconciliation of approved changes to actual changes made to the property tax system would help ensure changes are proper.

Similar conditions previously reported

A condition similar to section 4.1 was noted in our 3 prior audit reports and section 4.3 in our prior audit report. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County* (sections 3.1 and 4.1), issued in June 2015, reported the status, at that time, as in progress.

Recommendations

4.1 The County Collector prepare and file annual settlements in accordance with state law. In addition, the County Commission should ensure the annual settlements are filed and are carefully and fully examined to ensure tax book charges and credits are accurately reported.

4.2 The County Clerk prepare the back tax, land and personal tax, and railroad and utility aggregate abstracts and timely file them with the Department of Revenue and State Tax Commission.

4.3 The County Commission and the County Clerk develop procedures to ensure all property tax changes are properly approved and monitored. In addition, the County Commission should work with the County Collector to ensure property tax system access rights are limited to only what is needed for the users to perform their job duties and responsibilities.

Auditee's Response

The County Collector provided the following responses:

4.1 I agree and will work to correct this problem.

4.3 I agree with this recommendation. A new data system has been implemented that interfaces with the County Assessor's system. However, my staff still need access to perform additions and abatements in case this process does not work correctly. We will provide monthly reports of changes made in the system to the County Clerk for review.

The County Commission provided the following response:

4.1 We will ensure the County Collector's annual settlements are reviewed when received.

The County Clerk provided the following response:

4.2 The County Clerk has completed all outstanding annual aggregate abstracts and will ensure timely completion in the future.

The County Commission and County Clerk provided the following response:

4.3 If a report of changes is provided by the County Collector, we will compare that report to the changes that have been approved.

5. Sheriff's Controls and Procedures

Controls and procedures for the Sheriff's office need improvement. The Sheriff's office collected monies for civil fees, concealed carry weapon (CCW) permits, jail phone commissions, commissary commissions, and other miscellaneous receipts totaling approximately $503,000 for the year ended December 31, 2017.

5.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. One clerk is responsible for receipting, recording, and depositing monies; making disbursements; and preparing the monthly bank reconciliation for the bond/fee bank account. Another clerk is responsible for the same duties for the commissary account and the CCW account.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, depositing, disbursing, and reconciling monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

5.2 Receipting and depositing

Controls and procedures over receipting and depositing need improvement. Sheriff's office personnel do not obtain a report of receipts from the inmate money kiosks when removing money from the kiosks for deposit. The Administrative Assistant prepares each deposit slip to equal the amount removed, with no documentation to support the amount.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies received will go undetected.

5.3 Disbursements

The Sheriff does not disburse fees monthly to the County Treasurer as required by state law. For example, the county portion of CCW permit fees of $398 collected in January 2017 was not disbursed to the County Treasurer until March 10, 2017.

To ensure all disbursements are accounted for properly and reduce the risk of loss, theft, or misuse of funds, fees received should be disbursed timely. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

5.4 Commissary liabilities

The Sheriff's office does not prepare a monthly list of liabilities of inmate balances for the 2 commissary accounts, and consequently, liabilities are not reconciled to the commissary's available cash balances and commissary net proceeds are not turned over to the county as required by state law.

At our request, the Sheriff's office generated a list of inmate balances for the commissary accounts totaling $11,357 as of April 30, 2018. The April 30, 2018, reconciled bank balances for the accounts totaled $73,142. After subtracting the inmate balances from the account balances, the accounts contain undistributed commissary net proceeds totaling $61,785.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained. Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

5.5 Seized property

The Sheriff has not performed a physical inventory of seized property since 2015.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Periodic physical inventories should be performed and the results compared to inventory records to ensure seized property is accounted for properly.

Similar conditions previously reported

Conditions similar to sections 5.1 and 5.4 were noted in at least our 4 prior audit reports, section 5.2 in our 3 prior audit reports, and section 5.5 in our prior audit report. In addition, Report No. 2015-035, *Follow-Up Report on Audit Findings - Miller County* (sections 5.1, 5.3, 5.5, and 5.6), issued in June

2015, reported the status, at that time, as implemented for sections 5.1 and 5.3, and in progress for sections 5.5 and 5.6.

Recommendations

The Sheriff:

5.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.

5.2 Reconcile money received through the inmate kiosk to deposits and kiosk reports.

5.3 Disburse fees monthly to the County Treasurer in accordance with state law.

5.4 Prepare a monthly list of liabilities for the commissary account and reconcile it to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.

5.5 Ensure a periodic inventory of seized property is conducted and reconciled to the list of seized property, and investigate any differences.

Auditee's Response

5.1, 5.3, & 5.4 We agree and have implemented this recommendation.

5.2 Our prior commissary vendor did not have this capability, but this has been implemented with our new vendor.

5.5 We agree and have performed an annual spot check inventory, but do not have the manpower for a full inventory at this time.

6. Senate Bill 40 Board's Controls and Procedures

Improvement is needed in the Miller County Senate Bill 40 Board's (SB40 Board) controls and procedures over expenditures.

6.1 Bidding

The SB40 Board did not advertise or obtain bids for the remodeling of the group home kitchen costing approximately $7,300. The SB40 Board Secretary indicated she hired and made payment to the contractor for the work without any discussion or approval by the SB40 Board.

Section 50.660, RSMo, provides bidding requirements, including advertising for bids involving expenditures greater than $6,000. Routine use of a competitive procurement process for major purchases ensures the Board has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in SB40 Board's business. Documentation of the various bids received, the SB40 Board's selection process, and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

6.2 Staff incentives

The SB40 Board awards gifts to employees in violation of the Missouri Constitution. During the year ended December 31, 2017, the SB40 Board purchased 21 gift cards totaling $525 for employees as Christmas gifts.

These gifts represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution. Attorney General's Opinion No. 72, from June 14, 1955, states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered." Additionally, Article VI, Sections 23 and 25, prevent local government from granting public money to any private individual, except as otherwise provided by law.

Recommendations

The Senate Bill 40 Board:

6.1 Ensure projects are bid, including advertising for bids when applicable in accordance with state law, and maintain adequate documentation of decisions made.

6.2 Discontinue the practice of giving gift cards to employees.

Auditee's Response

6.1 This will be done prior to the next project the SB40 Board undertakes. Several persons were contacted for the contract work performed to no avail.

6.2 Nothing staff related comes out of the SB40 tax monies. SB40 tax money was not used to purchase gift cards. Gift cards were purchased from respective programs. These programs are Residential and Targeted Case Management.

Auditor's Comment

6.2 The SB40 Board's response states the gift cards were not purchased with property tax monies. However, all funds of the SB40 Board are public funds and subject to the criteria specified in the finding.

7. Sunshine Law

The County Commission did not always comply with the Sunshine Law. The County Clerk prepared minutes for only 63 County Commission meetings out of an estimated 144 possible meetings held during the year ended December 31, 2017. Since minutes were not available for the remaining dates, it was unclear if meetings were held for all dates. Without minutes of all meetings, there is no record of the discussions held or support for the decisions made, and less assurance to the public that various statutory provisions are followed.

Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of actions and decisions.

Recommendation

The County Commission ensure meeting minutes are prepared and maintained for all County Commission meetings.

Auditee's Response

The Presiding Commissioner now keeps notes to provide all information required by the Sunshine Law, and provides those notes to the County Clerk after each meeting to prepare official minutes.

8. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately $23,000 in bad check restitution and fees, and $64,000 in court-ordered restitution and fees during the year ended December 31, 2017.

8.1 Unidentified monies

The Prosecuting Attorney's bank account had $5,346 of unidentified monies at December 31, 2017. The Prosecuting Attorney's clerical staff reconciles the bank balance to the identified liabilities on a monthly basis, and has documented unidentified balances accumulated by the prior Prosecuting Attorney. Since records are not sufficient to identify to whom this money is owed, it should be disposed of in accordance with state law.

Maintaining unidentified balances in the bank accounts increases the risk of loss, theft, or misuse of such funds. Various statutory provisions address the disposal of unidentified monies.

8.2 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks. As of December 31, 2017, 9 checks totaling $1,014 had been outstanding for more than a year, with some checks dating back to 2014.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Similar conditions previously reported

A condition similar to section 8.1 was noted in our 2 prior audit reports and section 8.2 in our prior audit report.

Recommendations

The Prosecuting Attorney:

8.1 Disburse unidentified monies in accordance with state law.

8.2 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

Auditee's Response

8.1 The current audit identifies $5,346 in unidentified funds in the Prosecuting Attorney bank account and recommends disposal of the money according to law. The money was immediately disbursed to the State Treasurer's Office in accordance with the abandoned property law.

8.2 It is the Prosecuting Attorney's understanding based upon the State Treasurer's Office website that government entities such as the Prosecuting Attorney's office are required to hold property for 3 years before submission to the State Treasurer's Office. As such, unidentified money is often in the Prosecuting Attorney's bank account for extended periods to locate proper recipients. However, upon clarification from the State Treasurer's Office and the State Auditor's Office, monies may be submitted to the State Treasurer's Office sooner, so we will seek to return money on a 1-year basis as opposed to the past policy.

Miller County
Organization and Statistical Information

Miller County is a county-organized, third-class county. The county seat is Tuscumbia.

Miller County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 119 full-time employees and 5 part-time employees on December 31, 2017.

In addition, county operations include a Senate Bill 40 Board and a Senior Citizens Service Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2018	2017
Tom Wright, Presiding Commissioner	$	32,175
Darrell Bunch, Associate Commissioner		30,145
Travis Lawson, Associate Commissioner		29,700
Deb Wiles, Recorder of Deeds		45,675
Clinton Jenkins, County Clerk		45,000
Benjamin Winfrey, Prosecuting Attorney		137,073
Louie Gregoire, Sheriff		50,000
Phil Lawson, County Treasurer		45,675
Timothy Bradley, County Coroner		16,000
Theresa Lupardus, Public Administrator		45,000
William Harvey, County Collector, year ended February 28,	45,675	
Joseph Cochran, County Assessor, year ended August 31,		45,675
Rick Wilson, County Surveyor (1)		

(1) Compensation on a fee basis.

Office of Missouri State Auditor

Nicole Galloway, CPA

Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2018

Report No. 2019-001

January 2019

auditor.mo.gov

Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety-Missouri State Highway Patrol's Use of Highway Funds

Background	Missouri state law requires the Missouri State Auditor to examine whether State Highways and Transportation Fund appropriations to the Missouri State Highway Patrol are used in accordance with the Missouri Constitution, which limits the use of these funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations.
Methodology	Audit staff reviewed policies and procedures, financial records and other pertinent documents; interviewed agency personnel; and tested selected transactions. Auditors also reviewed highway patrol calculations of amounts spent for non-highway activities; and the amounts spent for highway-related activities from other funding sources.
Conclusions	The audit determined the Missouri State Highway Patrol complied with legal provisions related to the use of this funding for the 2018 fiscal year.

Because of the limited objective of this review, no overall rating is provided.

Missouri State Highway Patrol's Use of Highway Funds
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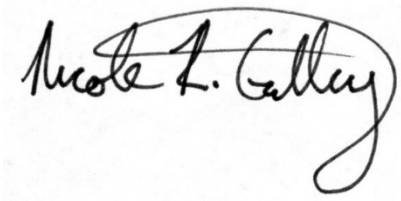
NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sandra K. Karsten, Director
Department of Public Safety
and
Lieutenant Colonel Eric T. Olson, Interim Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The Background, Methodology, and Conclusions present our comments concerning the overall compliance related to the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Joyce Thomson

Missouri State Highway Patrol's Use of Highway Funds Background, Methodology, and Conclusions

Background

The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution.

Limitations and requirements

Article IV, Section 30(b), Missouri Constitution, limits the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

" . . . Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January fifteenth of each year."

During the year ended June 30, 2018, the MSHP used appropriations from the State Highway Fund as follows:

		Appropriation Authority	Expenditures	Lapsed Balances*
Enforcement personal service	$	72,208,910	67,334,894	4,874,016
Enforcement expense and equipment		6,748,812	6,685,455	63,357
Technical services personal service		14,521,316	13,356,937	1,164,379
Technical services expense and equipment		13,677,138	13,451,796	225,342
Vehicle and driver safety personal service		11,112,828	10,293,357	819,471
Vehicle and driver safety expense and equipment		1,020,875	914,359	106,516
Refund unused motor vehicle inspection stickers		100,000	34,578	65,422
Administration personal service		6,145,488	5,933,075	212,413
Administration expense and equipment		422,589	381,705	40,884
Crime laboratories personal service		3,878,874	3,570,733	308,141
Crime laboratories expense and equipment		1,209,249	1,172,972	36,277
Law Enforcement Academy personal service		1,344,722	1,245,446	99,276
Law Enforcement Academy expense and equipment		73,576	65,829	7,747
Fringe benefits personal service		81,049,718	74,874,325	6,175,393
Fringe benefits expense and equipment		6,516,441	6,305,004	211,437
Vehicle replacement expense and equipment		6,573,075	5,039,912	1,533,163
Gasoline expenses		4,837,264	3,558,322	1,278,942
Interoperable system highway		5,000,000	4,891,209	108,791
Interoperable ongoing highway		4,100,000	3,975,769	124,231
Total	$	240,540,875	223,085,677	17,455,198

* The lapsed balances include withholdings made at the Governor's request totaling $4,383,776.

Methodology

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine whether the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts expended by the MSHP for highway-related activities from other funding

sources. We compared the amounts used in the MSHP calculations to expenditures recorded in the state accounting system (SAM II) and other supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

Conclusions

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2018, the MSHP spent approximately $2,660,000 appropriated from the State Highway Fund for expenditures not related to highway activities. This amount included non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, these expenditures were more than offset by personal service, fringe benefit, and expense and equipment expenditures of approximately $5,389,000 incurred by the Crime Laboratory Division, Training Division, and Technical Services Bureau that were related to highway activities but not paid from the State Highway Fund. As a result, approximately $2,729,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2018.